8814. Also, petition of the Carl K. Olson Post, No. 426, of the American Legion at Wendell, Minn., submitted by Peter Braaten, commander, unanimously urging legislation for the full payment of adjusted-service certificates; to the Committee on Ways and Means.

8815. By Mr. McCLINTOCK of Ohio: Petition of Roy A. Gorman, Ada L. Brandon, J. W. Anderson, Mark O. Oliver, and others, asking immediate cash payment at their face value of the adjusted-compensation certificates; to the Committee on Ways and Means.

8816. By Mr. McCORMACK of Massachusetts: Petition of All-Dorchester Post, No. 154, American Legion, Commander Harold D. Patrician, 614 Dudley Street, Dorchester, Mass., unanimously recommending early and favorable action on pending legislation for immediate payment of face value of the adjusted-service certificates; to the Committee on Ways and Means.

8817. By Mr. PATMAN: Petition of Frank C. McCord and 1,000 other citizens and veterans of Cleveland, Ohio, presented through the United Veterans' Aid Association, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

8818. Also, petition of Paul C. Wolman, commander in chief Veterans of Foreign Wars of the United States, and 700 other citizens and veterans of Baltimore, Md., presented through the United Veterans' Aid Association (Inc.), urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

8819. Also, petition of W. W. Waters and 300 other citizens and veterans of Maryland, presented through the United Veterans' Aid Association, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

8820. Also, petition of L. A. Ritchie and 1,000 other citizens and veterans of Washington, D. C., presented through the United Veterans' Aid Association, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

8821. Also, petition of Charles Bailey and 1,850 other citizens and veterans of Newark, N. J., presented through the United Veterans' Aid Association, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

8822. Also, petition of Mrs. L. Smith and 7,200 other citizens and veterans of Los Angeles, Calif., presented through the United Veterans' Aid Association, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

8823. Also, petition of Ellen Gallagher and 950 other citizens and veterans of Philadelphia, Pa., presented through the United Veterans' Aid Association, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

8824. Also, petition of E. R. Rimbeck and 600 other citizens and veterans of New Jersey, presented through the United Veterans' Aid Association, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

8825. Also, petition of Mrs. J. L. Robins and 2,350 other citizens and veterans of Nashville, Tenn., presented through the United Veterans' Aid Association, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

8826. Also, petition of Carmile Duytrehaever and 2,000 other citizens and veterans of Galveston, Tex., presented through the United Veterans' Aid Association, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

8827. Also, petition of Mrs. V. Christopher and 3,500 other citizens and veterans of Houston, Tex., presented through the United Veterans' Aid Association, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

8828. Also, petition of Edna Highfill and 1,250 other citizens and veterans of San Francisco, Calif., presented through the United Veterans' Aid Association, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

8829. Also, petition of C. L. Williams and 1,300 other citizens and veterans of California, presented through the United Veterans' Aid Association, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

8830. Also, petition of Mrs. E. L. Conoly and 300 other citizens and veterans of Texas, presented through the United Veterans' Aid Association, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

8831. Also, petition of Don Tinker and 2,000 other citizens and veterans of San Antonio, Tex., presented through the United Veterans' Aid Association, urging immediate payment of the adjusted-service certificates; to the Committee on Ways and Means.

8832. By Mr. SWANSON: Petition of Harvey B. Dorsey, F. W. Carlson, and others for the payment in full of adjusted-service compensation certificates; to the Committee on Ways and Means.

8833. By Mr. WAINWRIGHT: Petition of 69 citizens of Westchester County and Rockland County, favoring passage of House bill 7884 for the exemption of dogs from vivisection; to the Committee on the District of Columbia.

8834. By Mr. WYANT: Petition of Mrs. J. A. Snyder, president, Knoxville Branch Woman's Christian Temperance Union, Pittsburgh, Pa., urging support of House bill 9986, Hudson motion picture bill; to the Committee on Interstate and Foreign Commerce.

8835. Also, petition of Woman's Christian Temperance Union, of McKees Rocks, Pa., urging favorable consideration of Hudson motion picture bill, H. R. 9986, providing for better moving pictures; to the Committee on Interstate and Foreign Commerce.

8836. Also, petition of Woman's Christian Temperance Union, of Belle Vernon, Pa., urging favorable consideration of Hudson bill, providing for better motion pictures; to the Committee on Interstate and Foreign Commerce.

8837. Also, petition of N. E. Rhoades, J. P. Smithton, Pennsylvania, urging support of Sparks-Capper amendment to Constitution to cut out approximately 7,500,000 unnaturalized aliens and count only citizens in making new congressional apportionment; to the Committee on the Judiciary.

8838. Also, petition of committee on legislation of the Men's Association of the First Presbyterian Church, of Yonkers, N. Y. (numbering about 100 men), urging support of Hudson bill, H. R. 9986, regulating motion pictures; to the Committee on Interstate and Foreign Commerce.

SENATE

SATURDAY, JANUARY 24, 1931

(Legislative day of Wednesday, January 21, 1931)

The Senate met at 11 o'clock a. m., on the expiration of the recess.

DISPOSITION OF USELESS PAPERS

The VICE PRESIDENT laid before the Senate a communication from the Secretary of the Navy, transmitting, pursuant to law, lists of papers on the files of the Navy Department which are no longer useful in the transaction of business and have no permanent value or historic interest, and asking for action looking toward their disposition, which was referred to a Joint Select Committee on the Disposition of Useless Papers in the Executive Departments.

The VICE PRESIDENT appointed Mr. HALE and Mr. SWANSON members of the committee on the part of the Senate.

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate a report embodying resolutions of the Federation of Citizens' Associations of the District of Columbia, favoring the prompt passage of the bill (S. 4586) authorizing additional appro-

priations for the National Arboretum, which was referred to the Committee on Agriculture and Forestry.

He also laid before the Senate resolutions adopted by the National Council of Traveling Salesmen's Associations at New York, N. Y., favoring the making of an increased appropriation, in the amount of $250,000, for the domestic commerce activities of the Department of Commerce, which were referred to the Committee on Appropriations.

Mr. KEYES presented petitions of sundry citizens of Manchester, N. H., praying for the passage of legislation for the exemption of dogs from vivisection in the District of Columbia, which were referred to the Committee on the District of Columbia.

Mr. FRAZIER presented the petition of Mrs. H. H. Westlie and 41 other citizens of Minot, N. Dak., praying for the prompt ratification of the World Court protocols, which was referred to the Committee on Foreign Relations.

DEVELOPMENT OF LIBRARY SERVICE—WHITE HOUSE CONFERENCE ON READING

Mr. WATSON. Mr. President, I ask unanimous consent to have inserted in the RECORD and referred to the Committee on Education and Labor a letter from Claude G. Bowers, of the editorial staff of the New York World, in regard to the development of library service.

The VICE PRESIDENT. Without objection, it is so ordered.

The letter, with an accompanying paper, was referred to the Committee on Education and Labor and ordered to be printed in the RECORD, as follows:

NEW YORK, *October 27, 1930.*

HON. JAMES E. WATSON,
Rushville, Ind.

MY DEAR SENATOR WATSON: Several of us are considering a very important step regarding which we are anxious to have your kind advice.

Our attention has been called to the astounding situation that exists in this country with regard to the unavailability of good books and the consequent failure of our people to develop a desire for reading. The reports of the American Library Association on this subject and the recent survey made by Mr. R. L. Duffus for the Carnegie Corporation, have brought to light this very serious situation. The findings have now been amply confirmed by the preliminary report issued the other day as a result of the White House conference on reading.

We have made a few extracts from these reports to give you a view of the situation.

We all realize that the education of the masses is the greatest security that we can have for American ideals. It is a grave indictment of our people when it is shown that we, as a nation, are not book conscious. The gravity of the situation is deeply impressed upon us when we learn from these reports that 83 per cent of the rural population and 44 per cent of the entire population of our country have no access to public libraries, that more than one-third of the counties throughout the country have no public libraries, and that millions of our people have no access either to libraries or to book stores where they may obtain reading material.

How can we ever hope to combat the pernicious influence of the despotisms of the Old World, and how can we hope to develop and maintain a sound citizenship that will preserve American ideals if we allow the very root of the American mind to become a barren waste through the lack of that vital education that comes, beyond the school and the university, through the power of literature.

It has been suggested that we organize a national association to cope with this problem. We feel that the first step is to make literature available to schools, libraries, hospitals, prisons, correctional institutions, veterans' reconstruction units, and other centers of influence and education. Particularly is it desired that books be placed in those rural centers which now have absolutely no access to reading material. (The report of the American Library Association showed that 47,054,168 people in the rural districts had no access to local public libraries.)

Of course, where institutions have funds with which to purchase literature through the usual channels our assistance will not be needed. Our efforts will be directed to the problem of filling the gap wherever we find it.

Our plan is based on an appeal to leading American citizens throughout the country, who will be asked to contribute funds and at the same time to choose the very institutions that they may wish to designate as the recipients of the books that will be purchased by our association with the funds contributed. The association will also make a survey to determine where books are most needed.

We hope to work out a plan by which we can purchase books economically and assure every donor that the regular publishers' prices of the books furnished will be substantially higher than the amount donated. Incidentally, we are working on a plan which, if successful, will assure at least $150 worth of books to be delivered for every $100 donation we receive.

We feel that we should endeavor to place in these centers of influence the best that we can obtain in current literature as well as the classics and standard works. The White House conference report very clearly brought out the fact that it is not sufficient to place in the hands of adults or children books that they "ought to read," but that a desire for reading can best be cultivated by making available the books they would like to read. Of course, our modern literature delivered to these centers in the very time when newspapers and magazines are writing about these very books is undoubtedly the best for that purpose.

By making the appeal for funds to individual citizens we hope to bring to them the realization that they must take a greater interest and a more active part in the educational institutions of our land, whether it be the great university or the small rural school upon the hill.

We hope also that by the work of this association to ultimately arouse the communities themselves so that they may be more liberal with their funds in providing the necessary food for the minds of the masses.

It has been suggested that this is the time for definite action. The entire Nation will shortly celebrate the bicentennial of the Father of our Country. A great deal of money and effort will be used throughout the Nation in pageants, parades, and in the building of monuments of marble and steel. It is proper that this should be done. However, it is also the opportunity to build a living memorial in honor of George Washington that will be even more vital to the spirit of America than any material edifice. Hence it has been suggested that our association be called the George Washington foundation for citizenship and education. Some of us feel that this is the contribution we should make to the great patriotic celebration and that we should make it a lasting thing. A few of us are willing to carry the burden and to so shape the affairs of the society that there will be no call on you to take any additional responsibility beyond the many burdens which you already bear.

We feel, however, that we should have the benefit of your opinion and of your encouragement before we proceed.

We find our duty in the concluding words of the White House conference report:

"In conclusion, the committee repeats that the problem of promoting good reading among American children is, above everything else, a problem of making good reading matter accessible."

Awaiting your kind reply, I beg to remain,

Yours very truly,

CLAUDE G. BOWERS.

[From report of the American Library Association]

Fifty-nine million four hundred and sixty-nine thousand five hundred and eighty-six people, 44 per cent of the total population, are without access to local public libraries.

Forty-seven million fifty-four thousand one hundred and sixty-eight rural people, 83 per cent of the entire rural population, without public-library service.

One thousand one hundred and thirty-five counties out of 3,065 in the United States have no public libraries within their boundaries.

Inequality of library opportunity between city and country is too undemocratic to continue.

More city libraries are needed for the larger communities; the smaller communities would gain more from county-library service.

Too many suburban communities without public libraries present a distinct problem.

Seven million six hundred and seventy-four thousand eight hundred and forty-four Southern negroes, 89 per cent of the total, are without public-library service.

Alaska, the Philippine Islands, Porto Rico have great library needs and problems requiring individual study, possibly through library surveys.

[From U. S. Government Printing Office—Farmers' Bulletin No. 1559]

Eleven times as much spent for soft drinks as for public libraries.

Twelve and one-half times as much spent for radios as for public libraries.

Twenty-two times as much spent for moving pictures as for public libraries.

Twenty-eight times as much spent for candy as for public libraries.

[From the White House conference on child health and protection—Report of the committee on reading]

There are countless children in the United States who grow to maturity without ever owning or reading a good book other than school textbooks. There are thousands of homes, both urban and rural, into which good children's books and magazines do not enter. In one locality only 6 families of 523 studied, subscribed to a children's magazine; children in the other 517 homes depended for their reading on the few adult magazines that were subscribed to and on Sunday-school magazines distributed by the churches. Practically no books were owned by any family and no local public-library service was available. The children of these 523 families were reading, or going through the mechanics of reading, of course, in school, but not outside of it. Opportunities usually considered available to all in an enlightened democracy did not exist for them. The picture presented by this survey is not an unusual one. * * *

As in the case of certain magazines, cheap books backed by commercial zeal have achieved a circulation that is alarming, but their popularity can be combated by making available attractive, inexpensive editions of books of real worth. * * *

Many important factors are involved in the problem of children's reading. None is of greater importance than that of making good reading matter accessible. It has been found that most normal children will read good books and periodicals if they are easy to obtain. * * *

Undoubtedly the boys and girls of to-day are not entirely satisfied by reading the classics of the past, and the life of to-day must be reinterpreted for them with each passing year. * * *

Much remains to be done for the boys and girls who have ceased to be children but are not yet adults. Adolescents are surrounded by a vast array of new influences, particularly commercialized forms of recreation, many of which are unwholesome and degrading. With these influences the quiet relaxation, the calm mind, and the contemplative and inquiring attitude which accompany the use of books are in direct competition. * * *

Hospitals, settlement houses, summer camps, reform schools, orphan asylums, and other institutions which deal directly with the mental and moral well-being of the child are developing libraries and have recognized books as essential parts of their therapeutic work, though as yet less has been done in planning remedial reading for children than for adults. * * *

In conclusion, the committee repeats that the problem of promoting good reading among American children is, above everything else, a problem of making good reading matter accessible.

BOOKS—THEIR PLACE IN A DEMOCRACY

(A survey by R. L. Duffus for the Carnegie Corporation. Published in book form by Houghton Mifflin, 1930)

Not until their (public libraries) efforts and those of other educational institutions have borne fruit in a public which demands good books as effectively as it now demands good automobiles, good candy, and good cosmetics will America be "book conscious" (p. 69).

Several years ago it was estimated that half the population of the country had no access to bookstores. This appalling total may have diminished by a perceptible fraction, but there is no evidence that as yet it has been much more than nibbled at (p. 129).

If the overwhelming majority of them (the rural population)—enough to make or break a President and a party—are cut off from books, it is because their needs have not been recognized and because the necessary machinery, financial and administrative, has not been set up to meet those needs (p. 184).

The craving for books—even for good books—exists and can be cultivated. One finds it wherever one fishes for it (p. 199).

It requires no particular discernment to see that the problem is one of mass education and that there can be no large book market until the necessary spade work has been done (p. 201).

There are millions of Americans who actually want books—good books—but who either do not know they want them or do not know how to use them. If publishers, librarians, and booksellers can reach these millions, they will be raising the level of American civilization. Whether they do this for money, for glory, or for love, does not matter in the least (p. 225).

REPORTS OF COMMITTEES

Mr. STEIWER, from the Committee on Indian Affairs, to which was referred the bill (S. 3335) conferring jurisdiction upon the Court of Claims to hear and determine claims of certain bands or tribes of Indians residing in the State of Oregon, reported it with an amendment and submitted a report (No. 1361) thereon.

Mr. KEAN, from the Committee on the District of Columbia, to which was referred the bill (S. 5249) to amend the acts of Congress approved March 3, 1925, and June 3, 1926, known as the District of Columbia traffic acts, and for other purposes, reported it with an amendment in the nature of a substitute and submitted a report (No. 1363) thereon.

Mr. BRATTON, from the Committee on Post Offices and Post Roads, to which was referred the bill (H. R. 8806) to authorize the Postmaster General to impose fines on steamship and aircraft carriers transporting the mails beyond the borders of the United States for unreasonable and unnecessary delays and for other delinquencies, reported it without amendment and submitted a report (No. 1365) thereon.

Mr. NYE, from the Committee on Public Lands and Surveys, to which was referred the bill (H. R. 12404) to amend the act of April 9, 1924, so as to provide for national-park approaches, reported it with amendments and submitted a report (No. 1366) thereon.

WAR DEPARTMENT APPROPRIATIONS

Mr. REED. From the Committee on Appropriations I report back with amendments the bill (H. R. 15593) making appropriations for the military and nonmilitary activities of the War Department for the fiscal year ending June 30, 1932, and for other purposes, and I submit a report (No. 1362) thereon. I will try to have the bill taken up on Monday next as soon as possible after the Senate shall meet.

The VICE PRESIDENT. The bill will be placed on the calendar.

PAY AND ALLOWANCES OF COMMISSIONED AND ENLISTED PERSONNEL OF THE ARMY, NAVY, MARINE CORPS, ETC. (S. DOC. NO. 259)

Mr. REED. Mr. President, from the joint committee appointed to make an investigation and report recommendations relative to the readjustment of the pay and allowances of the commissioned and enlisted personnel of the Army, Navy, Marine Corps, Coast Guard, Coast and Geodetic Survey, and the Public Health Service, I submit a report and ask that it may be printed as a Senate document, with illustrations.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered.

REPORTS OF NOMINATIONS

As in executive session,

Mr. MOSES, from the Committee on Post Offices and Post Roads, reported favorably the nominations of several postmasters in the State of Maine, which were placed on the Executive Calendar.

BILLS INTRODUCED

Bills were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. BRATTON:

A bill (S. 5848) for the relief of Albert Gonzales; to the Committee on Claims.

By Mr. HALE:

A bill (S. 5849) granting an increase of pension to Carrie M. Bearse (with accompanying papers); to the Committee on Pensions.

By Mr. STEIWER:

A bill (S. 5850) for the relief of the Northwest Sales Co.; to the Committee on Claims.

By Mr. BROOKHART:

A bill (S. 5851) relating to the assessment of real estate in the District of Columbia; to the Committee on the District of Columbia.

By Mr. WALSH of Montana:

A bill (S. 5852) to incorporate the Disabled American Veterans of the World War; to the Committee on the Judiciary.

By Mr. JONES:

A bill (S. 5853) granting a pension to Mary A. Frisbee; to the Committee on Pensions.

By Mr. McNARY:

A bill (S. 5854) to extend the provisions of the forest exchange law to certain lands adjacent to the Cascade National Forest, in Oregon; to the Committee on Agriculture and Forestry.

By Mr. WATSON (for Mr. ROBINSON of Indiana):

A bill (S. 5855) granting an increase of pension to Martha V. Emery (with accompanying papers);

A bill (S. 5856) granting a pension to Lee Dan McMonigle (with accompanying papers); and

A bill (S. 5857) granting a pension to Minerva C. Smith (with accompanying papers); to the Committee on Pensions.

By Mr. BARKLEY:

A bill (S. 5858) granting a pension to Tom Kinney; to the Committee on Pensions.

EXPENSES OF SPECIAL COMMITTEE TO INVESTIGATE ALASKA RAILROAD

Mr. THOMAS of Idaho submitted the following resolution (S. Res. 417), which was referred to the Committee to Audit and Control the Contingent Expenses of the Senate:

Resolved, That the special committee created by Resolution No. 298, agreed to July 1, 1930, and continued by order of the Senate January 16, 1931, to investigate the operations, economic situation, and prospects of the Alaska Railroad hereby is authorized to expend $5,000 out of the contingent fund of the Senate in addition to the amount heretofore authorized for said purpose.

EXECUTIVE MESSAGES AND APPROVALS

Messages in writing from the President of the United States were communicated to the Senate by Mr. Latta, one of his secretaries, who also announced that the President had approved and signed the following acts:

On January 19, 1931:

S. 2865. An act granting the consent of Congress to compacts or agreements between the States of Wyoming and Idaho with respect to the boundary line between said States.

On January 23, 1931:

S. 3895. An act to authorize the Commissioners of the District of Columbia to widen Wisconsin Avenue abutting squares 1299, 1300, and 1935.

DROUGHT CONDITIONS IN ARKANSAS

Mr. CARAWAY. Mr. President, without indulging in any criticism of the other branch of Congress, I merely want to call attention to conditions that actually exist while it holds secret hearings which have been delayed once and possibly will be delayed again.

I have here a letter from Mrs. J. F. Tucker, Mountain View, Ark., the county-seat town in a mountain county. I wish to read a little of it. She is speaking of conditions that exist in that county:

Under my direct observation is our nearest neighbor, a veteran of the World War, who has been ill since in July. On the 5th of September he had been in bed 10 weeks. Then he spent three weeks in the hospital at Hot Springs. After his return home he has tried to get his own wood, for he has a wife, who is about to be confined, and five children; but even that has been a painful effort. Just Tuesday, when the home-demonstration agent spoke here, I was again reminded of the "A quart of milk for every child." These five children have had milk with no regularity since their father went to the hospital. Now their cow has a new calf, so that will help. But yesterday I talked with the father, and he said the day before he had prepared turnips for dinner and children had said, "Not much of those." For dinner yesterday it was the same. Turnips without butter, or even lard, are surely not much either for taste or nourishment. Lack of clothes is keeping the two older children from going to school.

While this other branch of Congress is holding hearings on the drought-relief amendment, I want the country to know that a man who wore his country's uniform in time of war, who incurred disabilities incident to military service, and who is disabled and in the hospital, with a wife about to give birth to a child, and with five little children, are all living on turnips. I hope it will make those who are holding the hearings enjoy their good meals while they delay this relief.

I have another letter from Etta Knighton, route 7, box 35, Holly Springs, Miss. She says:

I am writing to you for help, and I need it quick and want you all to help me. We are on starvation; have got nothing to eat, only what folks give us. I am a widow woman and have got a crowd of children and they are starving to death for something to eat. I have got five children at home with me, four girls and one boy. We need clothing, shoes, and something to eat. We need everything. If ever anybody needs help I do. I am 51 years old and my boy is 21 years, oldest girl 19, next girl 16, one girl 14, and another 12, and I want you all to help me.

Then, I have here a letter from Holly Springs, Miss., signed "Mrs. John Shaw, box 35, route 7":

I am calling for your help; and if you ever did help anybody in need, you ought to help me. There are five of us in family. My husband is 29 years old. I am 25 years old and have three little boys. One is 7, one is 5, and the other is 3. We sure would like for you all to send us something to eat and wear, for we can't help ourselves. My children are crying for bread and can't get it. Please, please help us. We are barefooted, no clothes, and nothing to eat. I can't send my children to school on account haven't got nothing to eat or wear and no way to get it. My husband can't get no work to do to get us nothing; no jobs of work up here to do. My little boys said tell you all to please send them something so they could go to school. We have no books and no way to get them. Please help us. The Lord will bless you all to help us through, for we can't help ourselves. May God bless you all and send us some help soon. Please, please help us quick.

I have yet another letter, and I shall only read a little of it. It is written by a man who has been a Methodist minister and is now retired, superannuated. At one time he was presiding elder in the district in which I live. He tells about an old lady who had walked 9 miles to town and brought three quilts stripped from her bed; that she had taken everything except just what they thought would keep them from freezing. She walked the streets trying to sell those bedquilts in order that she might buy something to eat for herself, a blind son, and invalid husband. He tells in this letter how munificently the Red Cross cares for suffering. He shows the cost price of the articles they are furnishing and what is furnished to each family. They get a fraction under 2½ cents a meal, on which they try to live.

I have another letter which I would like to read. I would like to have the attention of the Senate, if I may. This letter is written by Dewey Weems. The name would suggest about his age. He says he is 17 years old. I hope the reference to myself will be pardoned, because I merely want to read the letter:

I have read your pieces in the Arkansas Gazette and want to write you this letter to let you know how I appreciate what you are trying to do for the American people and to tell how conditions are where I live.

I do not want you to get the impression that I am writing this letter thinking of getting personal help for there isn't many things I hate worse than begging. I want to describe myself to you so you will know who is writing. I am 17 years old, have brown hair, brown eyes, am 5 feet and one-half inch tall and weigh between 140 and 150 pounds. I am not going to try to paint our condition the blackest for there are others that are as bad off as I am. I am just telling you what our condition really is here. My dad is a renter and there are 11 in the family and the food we have to work on is this: Turnips and turnip greens and dry bread sometimes, and sometimes we have dry bread. We are so ragged I am actually ashamed to go to the mail box.

I beg pardon for writing this with a pencil but I can't get any ink. I am not a beggar nor I am not low down. I have plenty of ambition to be somebody and to do something, but I can't do anything because I haven't any way or any chance.

If you could get out in the country among the farmers, you would see more naked and starving children than you think you would. We have six head of cattle but had to turn them out with the calves because we couldn't feed them.

If it is the Lord's will that I shall outlive you, I shall remember you and Senator ROBINSON as the best friends the farmer ever had until the death knock sounds at my door.

The letter is signed "Dewey Weems" and his address is Washington, Ark. He closes then with kind personal regards.

I have another letter written by Mrs. Mattie McRae, Waldron, Scott County, Ark. Skipping a part of the letter, she says:

I am an old-fashion woman 65 years old, all crippled, got no home and can't get work, and not able to work if I could. The Red Cross is giving me $2 every two weeks in groceries. Of course, it is a help but I have got no wood, no clothes, no way to pay house rent, and if I have to give my share of groceries for a load of wood then I have to starve.

Another paragraph to which I wish to call particular attention is one in which she states that she sits at home at night without a light, without wood to keep warm, hungry, too cold to sit up and too miserable to want to try to sleep.

These are just a few of the letters that came to me this morning. They are samples of those which come every day.

I call attention to these letters, Mr. President, simply for this reason. The only substantial relief those in distress may expect is tied up in an appropriation bill now in the other branch of Congress and has been sent to a committee for hearings. In the name of common sense why should there be hearings? The whole situation has been often gone over. The President of the United States has made a declaration to the American public regarding the situation; the former President of the United States has told the pitiful story, and Mr. Payne, as chairman of the National Red Cross, has assured the country that the situation is the most desperate that has ever faced it in time of peace. Now, we are "to have hearings." Of course, I think everybody knows why; and in view of the utterly unsympathetic if not intentionally harsh criticism by the chairman of that committee of everybody who wanted to get relief for those conditions, I want to have printed in the RECORD an editorial discussing that gentleman that appeared yesterday morning in the Washington Post. His future is well cared for, for the time being, and therefore he can be cynical and unsympathetic with starving people whose letters I have just read. I ask unanimous consent that the editorial to which I refer may be placed in the RECORD.

The VICE PRESIDENT. Without objection, the article will be printed in the RECORD.

The editorial is as follows:

[From the Washington Post, Friday, January 23, 1931]

LAME-DUCK RELIEF

Senator FESS, a member of the George Washington Bicentennial Commission, is given credit for originating a plan to divert $10,000 annually from the commission's funds into the pocket of a lame duck, Mr. CRAMTON, of Michigan, whose term as a Member of the House will expire on March 4. According to the plan that is cautiously thrown out as a feeler of public opinion, Mr. CRAMTON is to be appointed an additional director of the bicentennial activities, although a director has already been appointed in the person of Representative SOL BLOOM, who perfoms the duties without cost to the commission.

Two objections to this plan are immediately apparent: First, the money appropriated for the bicentennial celebration could not possibly have been intended by Congress to be devoted to the relief of unemployed lame-duck Congressmen. The amount appropriated is small, while the output of lame ducks is practically normal. Assuming that Congress would adopt a strictly nonpartisan and impartial plan if it were intending to set up a lame-duck relief fund, it seems that the commission would be acting improperly if it should favor one lame duck as against another. Why discriminate in favor of Mr. CRAMTON, a Member of the House, and leave out in the cold COLE. BLEASE, TOM HEFLIN, Joe Grundy, Henry Allen, CHARLIE DENEEN, Jack Robison, and other deserving lame ducks of the Senate? Or why discriminate in favor of men and leave out RUTH MCCORMICK?

Another objection to this plan is that division of executive authority insures confusion and failure. Two men can not steer an automobile safely, much less a bicentennial celebration. If the commission intends to transform the directorship from an executive into a deliberative body, it should include all lame ducks, in order to reap the benefit of a store of wisdom that will otherwise go to waste. Added appropriations would be necessary, of course, but this is a mere routine detail under the new rule of "millions for politics, but not one cent for tribute to George Washington."

If the commission should hold that since Mr. BLOOM is a Democrat, a Republican should be appointed codirector, for the sake of insuring a strictly bipartisan celebration in honor of George Washington, then we insist that the claims of Joe Grundy shall not be ignored. He is a Republican; he comes from a backward State; he has been more roundly abused than Mr. CRAMTON has ever been; he lost by a larger margin; he would represent the right of the Senate to a coequal share in the distribution of unemployment relief; and he was a wheelhorse for the G. O. P. when LOUEY CRAMTON was a babe in arms.

Mr. CARAWAY subsequently said: Mr. President, a very remarkable old negro lives down in my State, a man who was born a slave. He accumulated a rather large estate. I know when he could have drawn his check for a quarter of a million dollars and had it honored. He was a leader among his own people, and led with wisdom and patriotism.

This man has written me a letter which I want to read into the RECORD. He says:

MADISON, ARK., *January 10, 1931.*

Mr. CARAWAY,
United States Capitol, Washington, D. C.

DEAR SIR: I am Scott Bond, of Madison, Ark., a Republican. I did not vote for you, but when you took your oath of office you promised to take care of all the people in Arkansas in any way that you could.

Now, Mr. CARAWAY, I trust that you will make a brief survey of the State of Arkansas and see the conditions of the needy people and starving stock; I am sure that you would not rest until something is done to help us in some way.

I am sure, Mr. CARAWAY, that you would not suffer the Congress of the United States and others to send aid to other countries and we, the taxpayers, starve.

When I was able I would aid suffering humanity in every way possible. I would send hundreds of dollars to the Red Cross and I bought $12,000 Liberty bonds; however, since that time I have been forced into bankruptcy.

I am an old ex-slave, Mr. CARAWAY, 78 years old. Please let me hear from you at as early date as possible as to whether we are to expect aid.

Respectfully yours,
SCOTT BOND.

If those who are holding up relief will not hear the white people, at least those who have posed as the liberators and the protectors of the Negro race ought to hear the cry of an old ex-slave who has devoted all of his life to producing wealth and asks now only to be permitted to live. They ought at least to let him have some relief.

AMENDMENTS TO WORLD WAR VETERANS' ACT

Mr. BRATTON. Mr. President, I hold in my hand several telegrams coming to me this morning from various persons in New Mexico respecting several bills pending before the Finance Committee of the Senate to amend in certain respects the World War veterans' act, as amended.

In order that the attitude expressed by those who sent these messages may be brought to the attention of the members of the Finance Committee and, I hope, contribute to early favorable action upon these bills, I ask that these telegrams may be printed in the RECORD and referred to the Committee on Finance.

There being no objection, the telegrams were referred to the Committee on Finance and ordered to be printed in the RECORD, as follows:

SILVER CITY, N. MEX., *January 24, 1931.*

Senator SAM BRATTON,
Washington, D. C.:

Please use your utmost strength and influence in demanding immediate action on amendments to World War veterans' act giving pension to widows and orphans and service connect all disabled suffering from chronic constitutional diseases up to January 1, 1925.

Mrs. H. A. DICKSON,
State Chairman Tubercular Aid Fund of Daughters of American Revolution.

LAS CRUCES, N. MEX., *January 23, 1931.*

Hon. SAM G. BRATTON,
United States Senator, Washington, D. C.:

As per resolution, our unit respectfully requests that you do all within your power to support amendments to the World War veterans' act giving pension to widows and orphans and service connect all disabled suffering from chronic constitutional diseases up to January 1, 1925; also pass reasonable hospital construction program.

AMERICAN LEGION AUXILIARY UNIT, No. 10.

ALBUQUERQUE, N. MEX., *January 24, 1931.*

Senator SAM BRATTON,
Washington, D. C.:

Our organization requests immediate action on amendments to World War veterans' act giving pension to widows and orphans and service connect all disabled suffering from chronic constitutional diseases up to January 1, 1925; also pass at once reasonable hospital construction program providing hospitalization for all veterans.

AMERICAN LEGION AUXILIARY,
HUGH A. CARLISLE POST, No. 13,
Mrs. A. G. BRADBURRY, *President.*

DEDICATION OF WAR MEMORIAL—ADDRESS BY W. S. BAINBRIDGE

Mr. MOSES. Mr. President, on November 29, 1930, at Orange, N. J., a war memorial was dedicated in honor of those who died during the World War, and the veterans of this war since deceased, which attracted a vast multitude from regions round about, the ceremony being attended by State, municipal, and military officials, representatives of the American Legion and Gold Star Mothers.

The address upon the occasion by Commander William Seaman Bainbridge, a direct descendant of Commodore Bainbridge, was so replete with lofty civic ideals, patriotic emotion, and suggestions of present national needs that I take pleasure in asking unanimous consent to print this address in the RECORD.

There being no objection, the address was ordered to be printed in the RECORD, as follows:

AN ADDRESS BY WILLIAM SEAMAN BAINBRIDGE, COMMANDER, MEDICAL CORPS FLEET, UNITED STATES NAVY RESERVE, AND COMMANDER GENERAL MILITARY ORDER OF FOREIGN WARS OF THE UNITED STATES

Home! My country! These magic words have gripped the human heart since the dawn of history. Man has ever stood ready to defend his home and his country, no matter how far he might wander over the wide earth into other lands, or how long he might be absent from his native home. These words have the power to stir the deepest emotions within us and to make the heart throb and quicken the pulses. The zest of the chase, the beauties along the way, the stimulus of adventure, the joy of discovery, the tonic of success, the beckoning of every turn along the little road of life can not silence the cry of the home call from afar. It is not sentiment merely that makes one ready to defend the fireside and fight to maintain one's country against forces from within and from without that would destroy. It is the knowledge, too, of all that these imply—security, ideals, stability, advantages of education and of opportunities for thought and action. This has ever been!

Sometimes in our rapidly moving life, full of great events, we forget that history repeats itself—a trite but true saying.

If we could go back to the golden days of Greece, hundreds of years before Christ, at the time when her enemies sought to destroy her freedom, her ideals, her heart, her culture, we would

hear a funeral oration by Pericles to those Athenians who died in the first battle of the Peloponnesian War. We could well repeat that oration to-day, forget the more than 2,000 years between, and find it fitting as we stand before this monument to the sons of these United States who fought for the same liberty of belief and action and the same high ideals of real democracy as did those early heroes. And I say with Pericles, with all the earnestness at my command, "It was for such a country then that these men, nobly resolving not to have it taken from them, fell fighting, and every one of their survivors may well be willing to suffer in its behalf."

It is perhaps worthy of note here—and one that is a lesson for us all—that even in that far-off day there was constant talk of arbitration and various means of avoiding future wars. The late Professor Gildersleeve, of Johns Hopkins University, regarded by many as the greatest Greek scholar America has produced, is on record as stating that there is nothing in modern political philosophy to-day that was not discussed openly by the political philosophers of ancient Greece. Back in the middle half of the nineteenth century Thomas Arnold stated that there is nothing ancient in the history of ancient Greece except the time between. The historian-translator, Richard Crawley, wrote in the introduction to his translation of Thucydides' History of the Peloponnesian War that in this volume one will "discover the political freedom which he glories in, and the social liberty which he sometimes sighs for, in full operation at Athens; factions as fierce as * * * the communists at Corcyra * * *. He will see the doctrine of arbitration, welcomed as a newly discovered panacea by our amiable enthusiasts, more firmly established in theory than it is yet likely to be in modern Europe * * *." And this introduction was written more than 50 years ago!

Early the Greeks learned the lesson that only strength is respected and that adequate ability to defend really protects. They knew the necessity for the strong arm and the brave heart. What is worth while possessing is worth holding. Defense does not mean attack, nor does the Scripture invite onslaught when it says, "I write unto you, young men, because ye are strong." It is a call to be ready to guard those things which the human heart holds most dear. At the reverential ceremony of the massing of the colors in one of our largest churches in New York, which I recently attended, facing hundreds of flags representing all our wars and the patriotic societies of those wars, as well as the veterans who fought in some and the descendants of those who took part in others, our former ambassador to Mexico, James R. Sheffield, said: "That country which is not prepared effectively to defend itself from without or from within is already dying." We are also admonished in the Book of Books to "seek peace and pursue it"; not to stop by the wayside and be content, lulled to the sleep of inaction by a sense of false security, but to pursue, to follow, to have the goal clearly marked before us, and to strive for its attainment. Action! Not inaction!

In spite of all these facts which we have briefly considered, based on experience through the centuries, deep in the soul of man there has ever been a longing for peace and a striving toward its attainment. This has seemed like the dream of visionaries as conflict followed conflict. But it may be that the World War, the greatest of all human cataclysms, has ushered in a new era, and that which seemed utterly impossible yesterday may slowly, to be sure, yet step by step, lead to the permanent peace to which our hopes are fastened. We know that with knowledge should come understanding, and with understanding, respect, and with respect, a willingness to obtain another's viewpoint and if, in all honor, differences can be adjusted by conference, we will fulfill the prophecy of Isaiah: "And they shall beat their swords into plowshares and their spears into pruning hooks; nation shall not lift up their sword against nation, neither shall they learn war any more." In that day there will be a veritable brotherhood of man under the Fatherhood of God.

The World War, I say, may be the opening wedge toward making this dream a reality, for during and since this most fearful of conflicts there has been the start of a more united world based on the changed measurements in time and space. Many examples might be given. Do you realize that it was a direct result of the use of airplanes, in all its forms, during the World War, that flying has become, in some countries, one of the main modes of travel, and that the trans-Atlantic, trans-Pacific, and transcountry flights annihilate time and distance, making almost next-door neighbors of peoples in distant lands? We are having "good-will" flights between nations, we are having an interchange of culture and ideals in an effort to establish such friendly relations as to make war less and less of a future probability.

Do you realize that it was after the war, and as a result of its utilization in the war, that wireless has reached its present general use and state of efficiency, and that it is often the means of one nation's helping another?

Further, it is only since the war that a new industry has been developed in radiotelephony, and this brings the peoples of the earth closer together than ever before. President Hoover sends a message from the United States across the seven seas, the Pope is heard around the world, King George extends his greetings, and while Byrd is discovering new wonders in Antarctica he pauses for a moment to tell us about them and to listen to the soft strains of an operatic selection in New York.

Thus our horizons broaden, nation may speak to nation, distance between peoples is lessened, and, please God, that great prophecy of Isaiah may sooner than even we dare hope become a reality through a more understanding and united people.

Our vision is divine, but as we journey on we must remember we are living in a human world full of practical problems, and until the dawn of the day toward which we are groping let us realize that safety lies in adequate preparedness, not as a menace to others but as a safeguard to ourselves and, it may be, as a protection to the many.

We are gathered to-day to dedicate this monument in memory of the sacrifice and noble deeds of those here honored. This witness is to keep in precious memory those who gave their all—not only what they were and had but what they might have been. They gave their future with their past. They received the call and answered it. The door of opportunity for service in line of sacred duty opened before them, and they entered in and passed on. They knew in a measure, when they went into battle, the horrors they were to meet, but with high courage, firm tread, and undaunted idealism they marched forward. They marched forward for "ideals and for liberty." We might well repeat here the inscription carved on the tomb of the unknown Revolutionary soldier at Alexandria, Va., for it voices so well what we know to be the truth:

"Here lies a soldier hero of the Revolution whose identity is known but to God.

"His was an idealism that recognized a Supreme Being, that planted religious liberty on our shores, that overthrew despotism, that established a people's government, that wrote a constitution setting metes and bounds of delegated authority, that fixed a standard of value upon men above gold, and that lifted high the torch of civil liberty along the pathway of mankind.

"In ourselves his soul exists as part of ours, his Memory's Mansion."

This memorial upon which our gaze is resting tells in far more forceful language than any at my command of gallant deeds, of unselfish devotion to a cause, of sacrifice in its purest sense, of lofty vision, of nobility of purpose, of willingness to give, and give to the uttermost. With ringing voice it awakens once again the sense of gratitude, spiritual and temporal, toward those who, in giving all, made their last gesture of thankfulness to the land they loved. Future generations will pay homage at this site, and be spurred on to higher things. "For of illustrious men," said Pericles, "the whole earth is the sepulcher, and not only does the inscription upon columns in their own land point it out, but in that also which is not their own there dwells with everyone an unwritten memorial of the heart, rather than of a material monument."

Truly the heroes of old live again in the heroes of to-day. These men all were true patriots. They loved their country and they died defending it.

When there is a common danger all stand ready to make defense. War has its Himalayan peaks of spiritual heights where there is succor and sacrifice by all for all. Then comes the Dead Sea levels of the humdrum of the commonplace. After the struggles of war are over the Government, of necessity, goes back to its ordinary functions—mechanical, prosaic, impersonal. The medals become rusted, martial music fades away, and the sense of duty to those who are left maimed and handicapped is lessened. Then is the time when those who remain behind to fight against depression or, perhaps, suffer long years of illness, need heart work as well as headwork, with sympathy practically expressed. Perforce the Government's part does not include all that is needed. The unscathed comrades—those who were called to service at home and who are able—can receive the blessing and joy of service by supplementing their country's best efforts for the veterans, for many of them are examples of living patriotism, which may be hardest of all.

I am reminded of an American officer, an engineer, who was beyond the draft age, but who volunteered his services, which were accepted. After months at the front in France he was finally invalided home, suffering with advanced and incurable pulmonary tuberculosis. He lived in a little shack in the Carolina mountains. Three years after the war, enduring much suffering, he died. Under his pillow was found a little leather case in which there was a motto, on the back of which was this statement: "I received this in France from a French soldier; he was trying to live it, and I have been trying to live it, too. Whether or not I have succeeded others must judge." The verse was:

"I know the thought shall comfort me
When death summons me down the arches of the years,
I gave my laughter with my every breath—
I hid my tears."

"When your children ask in time to come 'What mean ye by these stones?' then ye shall say unto them, 'These stones shall be for a memorial forever.'"

Comrades, not fallen but risen, you know not real defeat, for in death you gained your victory. You are not dead, for in your spirit of courage, your willingness to fight and die for your ideals and for the highest and best in life, live on. Your body is removed from our midst, but your spirit is crowned with laurel. You are forever young and will never know frustration. You have finished your course and have kept the faith. Many of your comrades are left behind. They were ready, but were not asked to make the supreme sacrifice. Some of them are battered and scarred and others, without any external evidence of the contribution they made for their homeland, are so strained in mind and nerve that they can never be what they would have been, yet must live on and carry on, handicapped—a continuing sacrifice. You take unto yourselves in this monument all those of your comrades who, year by year, as a direct or indirect result of that conflict ended 12 years ago leave this world to join you. We hear the plea you make for all of these and will carry on. We will try to "be strong and of a good courage."

We salute you, honored dead!

BUSINESS CONDITIONS—ADDRESS BY SENATOR PINE

Mr. BROOKHART. Mr. President, I ask unanimous consent to have printed in the RECORD an address by the Senator from Oklahoma [Mr. PINE] before the Chamber of Commerce of Oklahoma City on August 15, 1930. The address is entitled "The Rules of the Game."

There being no objection, the address was ordered to be printed in the RECORD, as follows:

THE RULES OF THE GAME

Business is a great game, a great contest in which individuals and groups of individuals contest with each other for the prize, which is the wealth produced in the nation. In America the umpire, the Government, which is supposed to be fair and which has the combined power of all the people, is supposed to make and construe the laws—the rules of the game. This is the best arrangement that has ever been devised, but I propose to show you as best I can how far we have varied from this ideal condition and show you that this is the reason for many of our present troubles.

Permit me to say in the beginning I am not opposed to big business because it is big or because it is prosperous, but I am opposed to any business, big or little, that takes unfair advantage or is crooked. The man who picks your pocket is a common, ordinary crook regardless of whether he be rich or poor, whether he operates as an individual on the streets of Oklahoma City or in combination with many others from a skyscraper in New York City. The question that should determine his status is: Does he render adequate service to humanity for that which he takes from the common supply. The wealth produced in the Nation is the common supply from which all must take, and if some take without earning then it is quite evident that some who earn can not take. That is fraud and that is our present trouble. Most men have some of the characteristics of the hog, and it is almost impossible for the big man, like the big hog, to keep his feet out of the trough. We are all alike; practically all will overreach if given an opportunity, but the Government is supposed to be on guard and restrain those who would be unfair. The depredations of the crooks and the losses suffered by the people depend largely upon the intelligence, the integrity, and the watchfulness of those in charge of the Government.

Many years ago big business when unfair violated the law, but in recent years a more modern, a more profitable, and a safer way has been discovered. Big business now writes the law. I mean to say the procedure that big business desires to follow is made the law of the land and then they operate within the law safe from prosecution. It is only a matter of looking ahead. By moving in 10-year cycles and preparing the way, by securing favorable laws it is easy for them to accomplish their purpose.

Do you really understand that big business writes the law, the rules that govern the game in which they contest with the producers for the wealth produced in the Nation, then in many cases they select the government officials, the umpire, who is to administer, construe the law? In this way the game is fixed and millions are taken out by the fixers who produce nothing and render no real service. Right here I want to drive a peg. The present depression in Oklahoma is caused almost entirely by the fact that billions have been taken out of the wealth produced in Oklahoma by those who did not produce it and the farmers and oil producers who produced this wealth did not get it. Oklahoma put billions into the common supply that Oklahoma did not get back; of course Oklahoma is short.

In order that there may be no mistake about this important matter I shall give you a concrete example of an actual occurrence. I shall refer to the making of the Federal reserve law and want you to follow the details of the picture that you may be able to discern the reason for the depression and the farm problem, that you may be able to see why the international bankers are making more money than they ever made in all the world's history and at the same time the producers of America have been experiencing a 10-year depression.

In the great game called business many facilities or mediums are used in the exchange of goods. The most important of them all is money and credit which is sometimes defined as the medium of exchange. In 1913 our monetary law was completely changed. The change was not made immediately but the provision for it was made and ultimately our credit system was revolutionized, was turned completely upside down. That which was the best credit is now the worst credit in the Nation. A credit which did not exist in 1913 was created by the law and is now the best credit in the Nation. In 1913 there was no better credit risk in the world than the American farmer and he borrowed money at the lowest rates. To-day he is producing more wealth but has no credit at the bank. It was intentionally taken from him by the writer of the law and this preferred status was conferred on another form of credit known as acceptances, a form which did not exist at the time but was created by the law. To-day the acceptance market gets credit at the lowest rates and when necessary almost directly from the Government. It is rather significant that the one who made this great change in the law is now chairman of one of the greatest acceptance corporations.

I saw farm lands decline in value to the point where some of them would not sell for the taxes; I saw farmers who had been very successful for many years suddenly become failures even though they worked harder and produced more than they ever produced before; I saw small merchants who had been successful merchants first reduce their stocks then ultimately close them out entirely; I saw rural bankers who had been conspicuously successful for many years in their communities suddenly become failures and I wanted to know what was wrong. As a Senator representing this State, I felt I had an obligation to determine what was wrong. I have studied the matter for five years and have discussed it with the Federal officials having charge and I have employed economists to make a careful survey for me. I have discussed it with many who came into my office and have questioned many who appeared before our committees. In this way I had secured a fair picture of the subject but recently a work of two volumes has been published which opens up the entire matter and makes it perfectly clear to any student of public affairs.

I have here volume 1 of The Federal Reserve System by Paul M. Warburg. In my opinion it should be entitled the First Book of Modern Revelations. Apparently it was written for the purpose of showing that Paul M. Warburg, an international banker, wrote our Federal reserve law. He writes 1,753 pages, quotes original papers, and makes his case beyond question.

I desire to read two or three paragraphs taken from the first page of the introduction. He opens with a quotation from Prof. William B. Munro, which is as follows:

"I am told that Congress and the State legislatures make the laws. * * * Instead of saying that legislators make the laws, it would be far more correct to say that legislatures merely put the finishing touches on the law. To say that they "make the laws" is like saying that the books are made by bookbinders, forgetting that there are authors, printers, and proofreaders, too.

"The motive power in lawmaking is all supplied from somewhere outside the legislative halls. * * * Some intellect outside the realm of active politics first conceives the idea. It spreads to the minds of other individuals, slowly at first, but gradually gaining momentum. Presently there is an organized movement in its favor; then comes the deluge of propaganda, until the proposal becomes an issue and the politicians begin to take note of it. A law is half made and more than half made, when a large body of aggressive support has been mobilized among the voters; yet during this part of the process the legislative bodies have nothing whatever to do with it."

Then, referring to the above quotation, Mr. Warburg says:

"No one conversant with the history of the Federal reserve act is likely to read this passage without noticing how closely it applies to the origin of that measure."

Let us examine that quotation taken from Munro more carefully, remembering that it is quoted by Mr. Warburg with his approval. Information regarding the methods used by big business in making the laws, the rules of the game, should challenge your attention, but when Warburg, the master mind, speaks and tells you how the Federal reserve law was made it should compel your attention.

First. The people are told that Congress makes the laws, but the Congress has about as much to do with making laws as the bookbinder has to do with making books. That is, the Congress puts the law together, puts the cover on after another has written it.

Second. Some intellect outside the Congress first conceives an idea. This book shows conclusively that the idea now known as the Federal reserve law was first conceived by the mind of Paul M. Warburg, an international banker, at a time when he had just arrived from Germany and long before he had become a citizen of the United States.

Third. "It spreads to the minds of other individuals, slowly at first, but gradually gaining momentum." Warburg made a memorandum of his idea, and he first showed it to Mr. Jacob H. Schiff, senior partner in the international banking firm of Kuhn, Loeb & Co. Schiff advised him to keep it quiet, because the American people would not look with favor on such a revolutionary suggestion from a foreigner. Schiff showed it in confidence to two of his friends. One of them was Mr. Stillman, president of the National City Bank. Mr. Stillman was an American and he did not at first accept this German junker idea. One day when he met Warburg he said, "How is the great international financier," and then added, "Warburg, don't you think the City National Bank has done pretty well?" and then said, "Why not leave things alone?" Later Stillman was convinced and joined in the effort to secure the change. To determine the effect on his bank I had a graph prepared showing the fluctuations of the resources of that bank, and it shows that the City National Bank became inordinately prosperous after the passage of the reserve law. Stillman thought he was doing well, but this German idea of taking wealth by the feudal system from those who produced it added greatly to the income of the bank. At this period practically all advised that the American people would not permit such legislation.

Fourth. "Presently there is an organized movement in its favor." In this case the Merchants' Association of New York took it up and other organizations approved it, and then the National Citizens' League was organized to put it over; and then—

Fifth. "Came the deluge of propaganda." That is where you get in. That is where you assist in this kind of lawmaking. The law is half-made, according to their standards when you are requested to take it up with your weak-kneed Representatives. You are so easy and there are so many rabbits in the Congress that getting the law put together, getting the covers put on the law, is a very small matter to them. A flood of propaganda is good.

CENTRAL BANKING SYSTEM

I quote from page 8: "I was trained in the practices of a banking system which under varying forms had worked satisfactorily in almost every industrially advanced country, except the United

States. From the time of my arrival in America I felt impelled to urge the adoption of the fundamental principles upon which that established and proven system was based." In another place he speaks of a "properly coordinated central banking system as being desirable." On page 17 he says: "To a person trained under the central banking system of European countries such conditions seemed bewildering and strange. To him American banking methods appeared to do violence to almost every banking tenet held sacred in the Old World." On page 14 I find this: "The inevitable conclusion was emphasized that the road to reform lay in the direction of concentration of reserves, and in the cooperation of the banks under the leadership of one central organization."

He developed the central bank idea, patterned our system after the German system and started a campaign of education to secure its adoption. On page 11 he says: "Without a clear comprehension of the attitude of the business men, bankers, and economists of that period, coming generations will find it impossible to visualize the obstacles which had to be overcome and to gage the distance which had to be covered, when the way was blasted for gradual advance and ultimate victory of banking reform." And on page 19, "If reform is to be secured, it will take years of educational work to bring it about." And on page 33, "I continued hammering my doctrine into such victims as came my way." And on page 39, "The articles published by me from 1908 to 1910 (reprinted herein as part 1 of volume 2) constitute a series of persistent efforts to arouse public opinion to recognition of the fact that banking reform in the United States, in order to be successful, would necessitate the radical change from decentralized to centralized banking.

"Reviewing these efforts in their chronological order, one can readily perceive how, step by step, the central thought advances, but how new trenches always remain to be taken. With each new attempt, the method of attack had to be changed and, at the same time, the proposals for the adoption of the central bank thought to American business and political conditions had to be further evolved and improved."

He revolutionized our monetary system and gave us one which is patterned after the systems of Europe. Since then most of those systems have failed completely and from the standpoint of the farmer, the small merchant, and the small banker our system is a complete failure. Six thousand banks, mostly country banks, have failed in the last 10 years, more than in the previous 130 years of our national existence. Yet the flood of propaganda continues and there are those here in Oklahoma who tell us what a wonderful monetary system we have. From the standpoint of the international banker it is a great success. In all the world's history they were never able to take more wealth they did not produce and the common people never produced so much wealth they do not get.

Please do not misunderstand me. I do not blame Mr. Warburg for taking advantage of his opportunities. He had no obligation to serve the people. He was working for himself and those associated with him and he did a good job of it. He assumed that we were able to take care of ourselves, and we failed to do it. That is our fault, not his. The delinquency is ours. It is time for us to look out for ourselves. In Europe the farmer is a peasant. We have adopted their system and it is making peasants of our American farmers.

When quality, quantity, and cost of production are considered the American farmer is the world's greatest and best producer. The unorganized farmers produce better quality, greater quantity at less cost than the organized industries. It is because he is an individualist—an American in principle and not in name only. If you will read this work you will readily understand the reason for our depression. He said he wanted to mobolize the credit of the country so it could be used for the benefit of this country and the world. It is so mobilized and centralized that the international bankers can take it from the channels of trade in America and send it wherever they will pay the highest commissions. Billions have been withdrawn and invested in nearly every country of the world and stagnation is the logical result. Governments may rise and governments may fall, but the international bankers thrive all the time. Business may be bad and it may be good, but the international banker makes the most money both when it is best and worst.

SMALL BANKS

When he first began to study monetary conditions here he discovered that there were 20,000 banks and half of them had a capital of $25,000 or less. This is his first criticism of our system, which had grown up under normal conditions in a country where the citizen is a sovereign. Under the American plan a great many small banks are required, and his objection was an objection to the Americanism in our banking system. It was serving our people well—far better than our present system. He was opposed to so many small banks. He wrote our law and almost 6,000 small banks have failed in 10 years. The time will come when the people will consider such facts and will reject the propaganda that controverts them. Now, they accept the propaganda and reject the facts that should be apparent to all.

TOO MANY BANKS

When I first went to Washington as your Senator many banks were failing in Oklahoma and in the other agricultural States, and I discussed the matter with the Comptroller of the Currency. He was very much interested, and we canvassed the situation at length and it was his conclusion that the banks were failing because there were too many banks. In a few days I visited the office of the Assistant Secretary of the Treasury and went over the situation with Mr. Dewey, and he said that there were too many banks in Oklahoma and in this part of the Nation. In a few weeks I went to the office of Secretary Mellon and found that he was not much concerned about the bank failures because they were small banks and because there were too many of them anyway. In a few weeks I went to the White House and presented the situation to President Coolidge and he said that banks were bound to fail in this territory because there were too many of them. I suggested to him that the farmers were leaving the farms at the rate of 200,000 each year, that in the last five years 250,000 men had been discharged by the railroads, that I had just returned from the coal fields where I had been told there were twice as many coal miners as were needed, that the retail druggists association at a recent meeting had suggested that there were too many drug stores, that there were too many doctors, too many dentists, too many lawyers, and I said to him, "As President of the United States what do you propose to do—have the people jump in the river"? And he made no answer. The statement that there are too many banks is based on a philosophy that is unsound and will not stand analysis. It is un-American, it is un-Godly, yet it comes from high officials in the Government. They are men of education but sadly lacking in wisdom and understanding. They are wise only in their own conceit. They get no such idea from the American Constitution, from American traditions, nor from the Bible. It is a junker idea, is based on selfishness and greed, and has no place in a representative democracy. It is akin to that other false doctrine—overproduction.

I want to say to you as your Senator that in my opinion a fair application of the principles of the American Government to the existing conditions make necessary at least one bank in every town of 500 or more people. With a bank, growth is possible; without a bank, financial stagnation is almost certain. I know of no reason why the well-to-do people of such a community should not organize and conduct a bank, even if they have to write insurance and sell real estate to make it pay. I know of no way in which they can contribute more to the upbuilding of their home town. The old banker acquires wisdom and understanding, becomes the adviser and counsellor of the community. The young people consult him about going to college, about buying a calf, about getting married. They consult him about everything. He is a father to all, and happy is such a community. It is the unit of the Nation and the more such units we have the stronger is the Nation.

INDIVIDUALISM

On page 12 he says, "Individualism in banking was the gospel of the country." And on page 16, "Individualism in banking demanded that everybody should be free to have his own individual fling," and many more references are made to the individualism or freedom of our bankers. He wanted to eliminate, and he did eliminate from the American monetary system the American principles, and gave our bankers the German goose step instead. He was a young German junker of the class which later destroyed Germany, and he did not understand or respect our ideals and traditions, and he is the man who wrote our Federal reserve law. In principle it does violence to the American Constitution, and under it an economic subjugation of our Oklahoma people is in progress.

A young man at Norman, Okla, who was finishing his university course, went to his father and asked advice regarding his future. He said, "Father, I am finishing the law course and I want to start right. What would you advise me to do"? That father, an intelligent Oklahoma banker, advised his son to go to Chicago, make connection with some great corporation and make himself useful. Oklahoma's greatest need is men, and this loyal Oklahoman, under existing conditions, found it advisable to send his son to Chicago. Man power is Oklahoma's most expensive and most valuable production and it must be retained. No State in the Union has greater natural resources, greater natural opportunities. The natural conditions favor Oklahoma. The artificial conditions which are subject to human control, have been manipulated so as to favor the large cities. The natural advantages given to Oklahoma have been transferred by legislation and by monopolistic control to the centers of population. During the last 10 years our increase in population was 12.8 per cent when the increase for the Nation was more than 16 per cent. This great new State of Oklahoma was below the average. What is wrong, I ask you; what is wrong? Even the percentage of increase of Connecticut was greater than that of Oklahoma.

PROPAGANDA

I am willing to accept the mature judgment of the Oklahoma people, if it is their judgment. Frequently I receive letters and messages urging that I vote for or against pending measures, and am later told that they were not interested nor had any information about the matter, but sent the message because a friend requested it. To say that such a one is foolish is to use the mildest language my conscience will permit. He is playing with his inheritance which was bought with the blood of our fathers. For God's sake, and for the sake of our country, and your family and yourself, stop accepting hand-me-down ideas from the newspapers and giving them out as your own opinions. If you have no opinions of your own, do not give out opinions. It is high time for you to do your own thinking.

I am not afraid of the propaganda of the Russian red, but I am afraid of the propaganda of the international banker. Our people are too wise to be deceived by the red propaganda from Russia, but they appear to accept the redder propaganda of the international bankers, hook, line, and sinker. Their propaganda is far more intelligent, far more insidious, and far more destructive of our institutions. It distorts, deceives, and destroys, and our people are losing confidence in our form of government, which

is the best ever conceived by the mind of man. Theodore Roosevelt said this group of reds at the top were far more dangerous than the ones at the bottom. He was right.

CONCLUSIONS

Our monetary law was written by Paul M. Warburg, a young German international banker, before he was an American citizen.

He patterned it after the European central banking systems which are now practical failures and which made peasants of their farmers.

It grants special privileges to the international bankers by giving preferred status to the credits in which they deal.

Under this law the farmer, a great American, the world's greatest producer of wealth, backed by a piece of America itself has no credit.

Our monetary system exaggerates the importance—the standing of tokens—stocks and bonds—above the property value which they represent. Stocks and bonds can and do sell at high prices when property prices are low. The credit of the Nation has been made available for stocks and bonds and acceptances but it is not available on the same terms for property. If the farmer wants to borrow on a bale of cotton he has to pay 6 per cent or more, and before he can do it he has to find some one who is ready, able, and willing to make the loan. But the speculator can issue an acceptance which will get the money at 3 per cent, and if no bank wants it, the dealer can take it to any Federal reserve bank at any time and get the money. If the reserve bank is short of money the Government will start up the printing press and make it. Under the law the acceptance dealer must be accommodated. Paul Warburg wrote the law; and he deals in acceptances. This discrimination, made by the law, is so compelling that even the money held by the building and loan associations of Oklahoma City is made available and is used by the speculators in New York City.

The deposits in the country banks are necessarily invested in the credits given preference by the law—stocks, bonds, commercial paper, and acceptances. This is a rank discrimination against the farmer and local merchant by his Government. Their credit was sound, and was the best in the world until it was destroyed by the law.

This man, when he wrote our monetary law, had never been taught, and did not believe, that all men are born equal. He was a member of the banking family of Warburg of Hamburg, Germany, and when he wrote our law he had more interests in Europe than he had in America. He was a junker of the junkers, and he had been taught, and he believed, that some were born to rule and some were born to labor; and he wrote that belief into our law. He did not believe in a government of the people, by the people, and for the people, and he eliminated that American principle from our monetary system.

CALL OF THE ROLL

Mr. HEFLIN. I suggest the absence of a quorum.

The VICE PRESIDENT. The Senator from Alabama suggests the absence of a quorum. The Secretary will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Deneen	Kean	Reed
Barkley	Dill	Kendrick	Robinson, Ark.
Bingham	Fess	Keyes	Sheppard
Black	Fletcher	King	Shortridge
Blaine	Frazier	La Follette	Smith
Blease	George	McGill	Smoot
Borah	Gillett	McKellar	Steiwer
Bratton	Glass	McMaster	Stephens
Brock	Goff	McNary	Swanson
Brookhart	Goldsborough	Metcalf	Thomas, Idaho
Broussard	Gould	Morrison	Thomas, Okla.
Bulkley	Hale	Morrow	Trammell
Capper	Harris	Moses	Vandenberg
Caraway	Harrison	Norbeck	Walcott
Carey	Hastings	Norris	Walsh, Mass.
Connally	Hatfield	Nye	Walsh, Mont.
Copeland	Hayden	Oddie	Waterman
Couzens	Heflin	Partridge	Watson
Cutting	Howell	Pine	Wheeler
Dale	Johnson	Pittman	Williamson
Davis	Jones	Ransdell	

Mr. WATSON. I desire to announce that my colleague [Mr. ROBINSON of Indiana] is detained from the Senate on account of illness in his family.

The VICE PRESIDENT. Eighty-three Senators having answered to their names, a quorum is present.

RECOMMITMENT OF NOMINATION

Mr. McKELLAR. Mr. President, on yesterday I reported from the Committee on Post Offices the nomination of Joseph M. Patterson to be postmaster at Watertown, Tenn. I have been requested to ask that the nomination be recommitted to the committee, and I ask unanimous consent that that may be done.

The VICE PRESIDENT. As in executive session, that order will be made, and the nomination is recommitted to the committee.

EMPLOYMENT OF LOCAL LABOR AT PREVAILING WAGE SCALE ON GOVERNMENT CONTRACTS

Mr. McKELLAR. Mr. President, some time ago the Veterans' Bureau let a contract to the Algernon-Blair Co., of Montgomery, Ala., for building the addition to the veterans' hospital at Memphis, Tenn.

Before the contract was let I had complaints from Memphis that this company had been in the habit of paying less than the prevailing wage scale of the locality in which they constructed a building, and also had the habit of bringing labor from elsewhere. I took up the matter with the Veterans' Bureau, and the director took it up with the contractors; and I was assured that the prevailing wage scale would be paid, and that the contractors would employ local labor.

Reports reaching me from Memphis show that this agreement has not been complied with.

On January 22 I sent the director the following telegram:

JANUARY 22, 1931.

Gen. FRANK T. HINES,
Veterans' Bureau, Washington, D. C.:

I am reliably informed that Algernon-Blair, contractor, addition to veterans' hospital, Memphis, is employing labor at rates greatly below Memphis wage scale. Will you kindly have the matter examined into and advise me? It was my understanding that Blair agreed beforehand not to do this.

KENNETH McKELLAR.

I have just received from the director the following reply:

VETERANS' ADMINISTRATION,
Washington, January 23, 1931.

Hon. KENNETH McKELLAR,
United States Senate, Washington, D. C.

MY DEAR SENATOR: I have your wire of January 22, 1931, advising me that you have been informed that Algernon-Blair, contractor for certain work at the United States Veterans' Hospital, Memphis, Tenn., is employing labor at rates greatly below the Memphis wage scale, which action, you understand, would be contrary to assurances he gave the Veterans' Administration prior to receiving the award of contract for this work.

I am immediately seeking information on this matter and will advise you further as soon as a report has been submitted to me.

Very sincerely yours,

FRANK T. HINES, *Administrator.*

I think it proper to make public the facts connected with the matter, with the hope that the contractors will do as they agreed, and pay the prevailing wage scale at Memphis, and also employ local labor there.

I ask to have printed in the RECORD at this point a letter from the Bricklayers, Masons, and Plasterers' International Union of America, and a list inclosed in the letter.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

BRICKLAYERS, MASONS, AND PLASTERERS' INTERNATIONAL UNION OF AMERICA,
Washington, D. C., January 23, 1931.

Hon. KENNETH McKELLAR,
Senate Office Building, Washington, D. C.

DEAR SENATOR: We have received several protests from our local organization at Memphis, Tenn., against the policy of the Algernon-Blair Co., of Montgomery, Ala., importing labor into Memphis at less than the local prevailing wage scale.

Our local union also called to our attention, under date of January 19, that Mr. Jake Cohen, president of the Memphis Trades and Labor Council, is also protesting on behalf of his council against this condition on the Nurses' Home at Memphis.

We understood that prior to the award of this contract the Algernon-Blair Co. promised the Veterans' Bureau, because of your intercession, that they would pay the Memphis scale and employ Tennessee labor. Reports reaching us from Memphis clearly indicate that the Algernon-Blair Co. has failed to keep their promise to the Veterans' Bureau. We would be more than pleased if you would lend your good offices toward the employment of Tennessee labor at the Memphis rate by the Algernon-Blair Co. on the Nurses' Home.

Thanking you for any assistance you may render, I am, with very best wishes,

Respectfully yours, JOHN J. GLEESON, *Secretary.*

P. S.—We are inclosing a list of Government operations on which the same policy is being followed by contractors on Government work. This is a national problem and we are, therefore, calling it to your attention knowing that you are interested in the maintenance of wage scales and the consequent purchasing power of the American people.—J. J. G.

Fort Sam Houston, Tex.: Barracks, Fort Sam Houston. Contract awarded to Banspach Bros., who employ Mexicans exclusively and pay one-third of the prevailing wage rate.

Oklahoma City, Okla.: Post office. Contract awarded to Devault & Dietrich. Devault notified the Treasury Department prior to the award that he was going to work open shop, which in effect means that he is going to reduce wages. The contract was awarded over protests of the Oklahoma State Federation of Labor.

Memphis, Tenn.: Nurses' home and addition. Awarded to Algernon-Blair, unfair contractor, of Montgomery, Ala. Algernon-Blair is well known to all departments of the Government as a wage-cutting firm.

Scott Field, Ill.: Airport. Contract awarded to Noble Construction Co. This firm is also known as a wage-cutting firm. The contract was awarded over protests of all building-trades organizations in St. Louis and vicinity.

Vicksburg, Miss.: Larkin Experiment Dam. Wages reduced by the Government itself from $1.50 to $1.25 per hour. Protests to the Assistant Secretary of War and Chief of Engineers were unheeded.

Chilocco, Okla.: Government Indian school, Chilocco, Okla., located 4 miles south of Arkansas City, Kans. Wages reduced by the Interior Department.

Alexandria, Va.: Post office. Contract awarded to Beaman-Coleman, unfair contractors.

Naval base, Norfolk, Va.: Barracks. Contract about to be awarded to Worsham Bros., of Knoxville, Tenn. Worsham Bros. are wage-reducing contractors.

Spartanburg, S. C.: Post office. Contract awarded to unfair contractor, Algernon-Blair, of Montgomery, Ala.

Kosciusko, Miss.: Post office. Contract awarded to unfair contractor, Algernon-Blair, of Montgomery, Ala.

Boston, Mass.: Post-office foundation. Contract awarded to unfair contractors, Merritt, Chapman & Scott. Wage reductions put in effect over protests of Boston labor unions.

Washington, D. C.: Gallinger Hospital addition. Contract awarded to W. P. Rose Co., unfair contractors and a wage-reducing firm.

Coatesville, Pa.: Veterans' hospital. Contract awarded to Samford Bros., of Montgomery, Ala. Wages were reduced and cheap labor imported from the South, notwithstanding the protests of the Pennsylvania labor organizations.

Metuchen, N. J.: Raritan Arsenal. Officers' quarters. Contract awarded to the Alliance Construction Co., notwithstanding the fact that we notified the construction division of the War Department that the Alliance Construction Co. had no previous experience in new construction, and that they were engaged in sand blasting and cleaning old buildings; and they also said that they would not pay the prevailing wage rate. The construction division of the War Department, in answer to the complaints, said the War Department did not consider any experience necessary. We believe this is a very apparent lack of administrative ability, in so far as it concerns construction matters in the War Department.

Panama, Canal Zone: Contract for barracks at Panama recently awarded by the War Department to the J. A. Jones Co., of Charlotte, N. C., wage-cutting contractors noted above. This is the first contract to be awarded to a wage-cutting firm in the Canal Zone, and it will result in a disruption of labor conditions in the zone. The contract awarded to Jones will affect not only the building trades but it will also affect metal trades and labor in general.

Mr. McKELLAR. In this connection I desire also to file a number of affidavits and communications in reference to a similar situation with the contractor for the construction of a post-office building at Kingsport, Tenn.

It is fair to say that I did not have the understanding and agreement with the Treasury Department in reference to Kingsport that I had with the Veterans' Bureau with reference to the building at Memphis; but I think the same rule should apply with both departments, namely, that the prevailing wage scale of the locality in which a Federal building is being constructed should be scrupulously maintained, and that local labor should be employed in the fullest degree possible.

I ask to have printed in the RECORD at this point the affidavits and communications to which I have referred.

There being no objection, the matter referred to was ordered to be printed in the RECORD, as follows:

BRICKLAYERS INTERNATIONAL UNION, No. 8,
Kingsport, Tenn., January 22, 1931.

MR. JOHN J. GLEESON.

DEAR SIR AND BROTHER: Find inclosed copies of sworn statements, of which the original is now being mailed to the Supervising Architect, Treasury Department, Washington, D. C.

The Supervising Architect wrote me on January 7, also sent me a copy of Beaman Coleman Construction Co.'s letter to the Treasury Department of date December 10, 1930, of which you have a copy.

Trusting there is no need of further explanation,

Yours fraternally,

[SEAL.] W. T. RUSSELL,
Secretary, No. 8, Tennessee.

BRICKLAYERS INTERNATIONAL UNION, No. 8,
Kingsport, Tenn., January 17, 1931.

Re: United States post-office building, SA–AE, Kingsport, Tenn.

SUPERVISING ARCHITECT,
Treasury Department, Washington, D. C.

DEAR SIR: In reply to your letter of January 7, 1931, I am herein inclosing a few statements sworn to by the two local general contractors, also some additional statements referring to prices paid for labor on the above, and prices paid by local contractors.

From these statements you will find confirmed my letter of November 9, 1930.

Very truly yours,

W. T. RUSSELL,
Secretary Bricklayers Union, No. 8, Kingsport, Tenn.

KINGSPORT, TENN., *January 15, 1931.*

To whom it may concern:

Having been in the contracting business in the city of Kingsport, Tenn., for a number of years, we believe we are familiar with the scale of wages paid in Kingsport; will state under oath that the scale for masons for the past several years has been and still is $1.25 per hour. The wage scale for carpenters for the past three years is 70 cents per hour.

We do hereby certify that the above statement is true.

[SEAL.] ARMSTRONG-PURKEY-MCCOY (INC.),
General Contractors.
By C. B. ARMSTRONG, *President.*
By F. P. MCCOY, *Secretary-Treasurer.*

Sworn to before Clyde Bunn, a notary public.

[SEAL.] CLYDE BUNN, *Notary Public.*

My commission expires October 16, 1934.

KINGSPORT, TENN., *January 16, 1931.*

To whom it may concern:

Having been in the contracting business in the city of Kingsport and vicinity for a number of years, we believe that we are familiar with the wage scale paid in this locality, and will state under oath that the scale for masons for the past several years has been $1.25 per hour and the scale for carpenters for the past two and one-half or three years has been 70 cents per hour.

We do hereby certify that the above statement is true.

PYLE BROTHERS,
By D. A. PYLE.

Sworn before me January 17, 1931.

[SEAL.] CLYDE BUNN, *Notary Public.*

My commission expires October 16, 1934.

STATE OF TENNESSEE,
Sullivan County:

Personally appeared before me, I. T. Collins, a notary public for the county and State aforesaid, E. D. Martin, who after being duly sworn, deposes as follows: That he is 45 years of age; that he is a citizen of Sullivan County, Tenn., and that by trade he is a carpenter; that he was employed as assistant superintendent by the Beaman Coleman Construction Co. on the new United States post-office building that is being constructed by the said Beaman Coleman Co. at Kingsport, Tenn.; that he was in the employ of said company for a period of some six weeks during the months of October and November, 1930; affiant further deposes that his chief duty was carpenter foreman on said job, and that for his services as assistant superintendent and carpenter foreman he received the sum of 60 cents per hour.

E. D. MARTIN.

Subscribed to and sworn to before me this the 21st of January, 1931.

[SEAL.] I. T. COLLINS, *Notary Public.*

My commission expires on April 29, 1933.

STATE OF TENNESSEE,
Sullivan County:

Personally appeared before me, I. T. Collins, a notary public for the county and State aforesaid, Kelsie Wagner, who after being duly sworn, deposes as follows: That he is of legal age, and a citizen of the county and State aforesaid; that he was employed as labor foreman for Beaman Coleman Construction Co. on the new United States post-office job in Kingsport, Tenn., for about nine weeks during the months of October, November, and December, 1930; that he had under his direction and supervision eight laborers; that he received for his services as labor foreman on said job the sum of 25 cents per hour, and that the aforesaid eight laborers received the same rate of 25 cents per hour.

KELSIE WAGNER.

Subscribed to and sworn to before me this the 23d of January, 1931.

[SEAL.] I. T. COLLINS, *Notary Public.*

My commission expires on April 29, 1933.

STATE OF TENNESSEE,
Sullivan County:

Personally appeared before me, I. T. Collins, a notary public for the county and State aforesaid, D. L. Jones, who, after being duly sworn, deposes as follows: That he is a citizen of Sullivan County,

Tenn., and that he is of legal age; that he was employed by the Beaman Coleman Construction Co. on the new United States post-office building at Kingsport, Tenn., as carpenter, from the — day of ——, 1930, to the — day of ——, 1930, a period of one and a fraction days; that he received for said service the sum of 50 cents per hour; the said Jones further deposes that he is a skilled carpenter, having had 25 years' experience as carpenter.

D. L. JONES.

Subscribed to and sworn to before me this the 19th of January, 1931.

[SEAL.] I. T. COLLINS, *Notary Public.*

My commission expires on April 29, 1933.

STATE OF TENNESSEE,
Sullivan County:

Personally appeared before me, I. T. Collins, a notary public for the county and State aforesaid, T. W. Cardwell, who, after being duly sworn, deposes as follows: That he is 57 years of age, and a citizen of Sullivan County, Tenn.; that he is a carpenter by trade and has been for a period of more than 25 years; that he was employed by Beaman Coleman Contracting Co. on the new United States post-office building which is now under construction at Kingsport, Tenn.; that he worked on said job about six or seven weeks as carpenter during the months of November and December, 1930; affiant further deposes that for said labor he received the sum of 50 cents per hour.

T. W. CARDWELL.

Subscribed to and sworn to before me this the 21st day of January, 1931.

[SEAL.] I. T. COLLINS, *Notary Public.*

My commission expires on April 29, 1933.

STATE OF TENNESSEE,
Sullivan County:

Personally appeared before I. T. Collins, a notary public for the county and State aforesaid, Rev. W. N. Smith, who, after being duly sworn, deposes as follows: That he is 41 years of age and a resident of the county and State aforesaid; that he was employed by the Beaman Coleman Construction Co. as carpenter on the new post-office building that is being constructed by the said Beaman Coleman Construction Co. at Kingsport, Tenn.; that he was employed a fraction over two days during either the month of November or December, 1930; that for said employment deponent was paid the sum of 50 cents per hour; affiant further deposes that he has been a carpenter for the period of 14 years, and is qualified to do any sort of carpenter work.

W. N. SMITH.

Subscribed to and sworn to before me this the 19th day of January, 1931.

[SEAL.] I. T. COLLINS, *Notary Public.*

My commission expires on April 29, 1933.

STATE OF TENNESSEE,
Sullivan County:

Personally appeared before me, I. T. Collins, a notary public for the county and State aforesaid, W. O. Baker, who, after being duly sworn, deposes as follows: That he is a citizen of Sullivan County, Tenn., and that he is 41 years of age; that he was employed by Beaman Coleman Construction Co. as carpenter on the United States post-office building now under process of construction at Kingsport, Tenn.; that he worked for said construction company as carpenter from about October 11, 1930, to January 10, 1931; that he received from said company the sum of 30 cents per hour for said carpenter work; affiant further deposes that he has been a carpenter for a period of 14 years.

W. O. BAKER.

Subscribed to and sworn to before me this the 22d of January, 1931.

[SEAL.] I. T. COLLINS, *Notary Public.*

My commission expires on April 29, 1933.

STATE OF TENNESSEE,
Sullivan County:

Personally appeared before me, I. T. Collins, a notary public for the county and State aforesaid, T. J. Jennings, a citizen of the county and State aforesaid, and who, after being duly sworn, deposes as follcws: That he is 54 years of age; that he was employed by the Beaman Coleman Construction Co. as a laborer on the new United States post-office job in Kingsport, Tenn.; that he worked approximately three months on said job as laborer; affiant deposes he received the sum of 25 cents per hour for said labor; that the superintendent on said job was one ——— Wood.

T. J. JENNINGS.

Subscribed to and sworn to before me this the 22d day of January, 1931.

[SEAL.] I. T. COLLINS, *Notary Public.*

My commission expires on April 29, 1933.

MESSAGE FROM THE HOUSE

A message from the House of Representatives by Mr. Chaffee, one of its clerks, announced that the House had passed the following bills, in which it requested the concurrence of the Senate:

H. R. 485. An act for the relief of Thomas Carroll;

H. R. 487. An act for the relief of Edward A. Burkett;

H. R. 773. An act for the relief of Capt. W. B. Finney;

H. R. 1432. An act for the relief of John D. O'Connell, first lieutenant, Quartermaster Corps;

H. R. 1449. An act for the relief of Paymaster Charles Robert O'Leary, United States Navy;

H. R. 2699. An act to authorize an appropriation to cover damages to an automobile of William H. Baldwin;

H. R. 2730. An act for the relief of Capt. Philip A. Scholl, Finance Department, United States Army;

H. R. 3005. An act to carry out the findings of the Court of Claims in the case of Joseph C. Grissom;

H. R. 3521. An act for the relief of Thomas A. McGurk;

H. R. 5470. An act for the relief of Mary L. Dickson;

H. R. 6090. An act for the relief of Oliver Ellison;

H. R. 7870. An act for the relief of Mary Murnane;

H. R. 9070. An act for the relief of William Fisher;

H. R. 9174. An act for the relief of Frank W. Tucker;

H. R. 9575. An act for the relief of the New York Marine Co.;

H. R. 12023. An act to repeal the provision of law granting a pension to Lois Cramton;

H. R. 15930. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; and

H. R. 16110. An act making appropriations for the Departments of State and Justice and for the judiciary and for the Departments of Commerce and Labor for the fiscal year ending June 30, 1932, and for other purposes.

ENROLLED BILL SIGNED

The message also announced that the Speaker had affixed his signature to the enrolled bill (H. R. 15138) granting the consent of Congress to the State Highway Commission and the Board of Supervisors of Itawamba County, Miss., to construct a bridge across Tombigbee River at or near Fulton, Miss., and it was signed by the Vice President.

HOUSE BILLS REFERRED

The following bills were severally read twice by their titles and referred as indicated below:

H. R. 485. An act for the relief of Thomas Carroll;

H. R. 487. An act for the relief of Edward A. Burkett;

H. R. 3521. An act for the relief of Thomas A. McGurk;

H. R. 6090. An act for the relief of Oliver Ellison; and

H. R. 9070. An act for the relief of William Fisher; to the Committee on Military Affairs.

H. R. 773. An act for the relief of Capt. W. B. Finney;

H. R. 1432. An act for the relief of John D. O'Connell, first lieutenant, Quartermaster Corps;

H. R. 2699. An act to authorize an appropriation to cover damages to an automobile of William H. Baldwin;

H. R. 2730. An act for the relief of Capt. Philip A. Scholl, Finance Department, United States Army;

H. R. 3005. An act to carry out the findings of the Court of Claims in the case of Joseph C. Grissom;

H. R. 5470. An act for the relief of Mary L. Dickson;

H. R. 7870. An act for the relief of Mary Murnane;

H. R. 9174. An act for the relief of Frank W. Tucker; and

H. R. 9575. An act for the relief of the New York Marine Co.; to the Committee on Claims.

H. R. 1449. An act for the relief of Paymaster Charles Robert O'Leary, United States Navy; to the Committee on Naval Affairs.

H. R. 12023. An act to repeal the provision of law granting a pension to Lois Cramton; and

H. R. 15930. An act granting pensions and increase of pensions to certain soldiers and sailors of the Civil War and certain widows and dependent children of soldiers and sailors of said war; to the Committee on Pensions.

H. R. 16110. An act making appropriations for the Departments of State and Justice and for the judiciary, and for the Departments of Commerce and Labor, for the fiscal year ending June 30, 1932, and for other purposes; to the Committee on Appropriations.

PROHIBITION ENFORCEMENT IN THE DISTRICT OF COLUMBIA

Mr. HOWELL. I ask that the Senate proceed to the consideration of Senate bill 3344 and that the committee amendments may be considered.

The VICE PRESIDENT. The bill comes up as a matter of course.

The Senate resumed the consideration of the bill (S. 3344) supplementing the national prohibition act for the District of Columbia.

The VICE PRESIDENT. The Secretary will state the first committee amendment.

The first amendment of the Committee on the District of Columbia was, in section 3, page 2, line 5, after the word "street," to strike out "or"; in the same line, after the word "public," to strike out "or private"; in line 10, after the word "alley," to strike out "or"; and in line 11, after the word "public," to strike out "or private," so as to make the section read:

SEC. 3. That any person who shall, in the District of Columbia, in any street, public road, alley, or in any public place or building or in or upon any street car, or other vehicle commonly used for the transportation of passengers, or in or about any depot, platform, or waiting station, drink any intoxicating liquor of any kind, or if any person shall be drunk or intoxicated in any street, alley, public road, or in any railroad passenger train, street car, or any public place or building, or at any public gathering, or if any person shall be drunk or intoxicated and shall disturb the peace of any person anywhere, he shall be guilty of a misdemeanor and upon conviction thereof shall be punished by a fine of not less than $10 nor more than $100 or by imprisonment for not less than 5 days nor more than 30 days in the workhouse or jail of the District of Columbia, or by both such fine and imprisonment.

The amendment was agreed to.

The next amendment was, on page 6, line 1, after the word "thereto," to strike out "or" and insert "for purpose of sale, or is unlawfully."

Mr. SHORTRIDGE. Mr. President, I should like to inquire the significance of that amendment.

The VICE PRESIDENT. The Secretary will again state the amendment.

The CHIEF CLERK. The committee proposes, in section 10, on page 6, line 1, after the word "thereto," to strike out "or" and insert "for purpose of sale, or is unlawfully," so as to read:

No search warrant shall issue to search any private dwelling occupied as such unless it is being used for the unlawful sale of intoxicating liquor, or a still or distilling apparatus is unlawfully set up or being used therein or intoxicating liquor is unlawfully delivered thereto for purpose of sale, or is unlawfully removed therefrom, or unless such dwelling is in part used for some business purpose, such as a store, shop, saloon, restaurant, hotel, or boarding house. The term "private dwelling" shall be construed to include the room or rooms used and occupied not transiently but solely as a residence in an apartment house, hotel, or boarding house.

Mr. WALSH of Montana. Mr. President, I understood the Senator from California to ask for an explanation of this amendment. It will be noted that the bill as originally framed dealt with intoxicating liquor unlawfully delivered to a place or unlawfully removed therefrom. By virtue of the amendment it does not become unlawful to deliver it to a building unless it is unlawfully delivered for the purpose of sale, but if it is unlawfully removed for any purpose the act becomes amenable to this provision. Just why should there be that distinction?

Mr. HOWELL. The change in the wording was for the purpose of introducing the words "for the purpose of sale." The word "unlawfully" was also introduced because it was necessary. Previously the word "unlawfully" affected both delivery thereto or removal therefrom. In this case we simply use the word "unlawfully" a second time.

Mr. WALSH of Montana. Yes; but let me call attention to the fact that the Senator apparently——

Mr. HOWELL. It was not the purpose to do what the Senator from Montana has in mind. The purpose was simply this: As the bill originally read "or intoxicating liquor is unlawfully delivered thereto or removed therefrom," it was urged in the committee that we should provide that the liquor must be delivered for the purpose of sale. Therefore the "purpose of sale" was introduced, and the language was changed to conform to that.

Mr. WALSH of Montana. I can understand perfectly well that there should be no search because liquor is delivered to a place, even if it is delivered unlawfully, unless it is delivered for the purpose of sale; but that is followed by the language "or is unlawfully removed therefrom."

Mr. HOWELL. Yes.

Mr. WALSH of Montana. No matter what the purpose is of removing it, the place becomes open to search.

Mr. HOWELL. Certainly. If a private dwelling contains liquor and it is being unlawfully removed therefrom, is there any reason why there should not be a search?

Mr. WALSH of Montana. No; I do not object to it at all. I am calling the attention of the Senator to the fact that the building is not subject to search when liquor is unlawfully delivered there unless it is unlawfully delivered for purposes of sale. In other words, the building to which the liquor is brought can not be searched unless it is brought there for the purpose of sale.

Mr. HOWELL. True.

Mr. WALSH of Montana. But it can be searched when the liquor is taken away unlawfully, no matter what the purpose of taking it away is.

Mr. HOWELL. That is true.

Mr. WALSH of Montana. Why the distinction?

Mr. HOWELL. The purpose is this:

Bootleggers rent a private dwelling and store their liquor therein. They never make a sale therein. They maintain an office somewhere else. When a customer calls up he does it by telephone; they identify him; and then they relay this message to the private dwelling where the liquor is stored and order it delivered. There is never a sale in the private dwelling where the storage is maintained; and, as a consequence, it is impossible to get a search warrant and get hold of that liquor, although the police may know that the liquor is there and there for the purpose of sale.

Mr. SHORTRIDGE. Mr. President, may I ask the Senator a question? What amounts to an unlawful removal?

The Senator from Montana pointedly directs attention to the four words "or is unlawfully removed." What amounts to an unlawful removal?

Mr. HOWELL. Any beverage liquor is unlawfully removed if it is removed from a private dwelling when the possession and the transportation is not authorized under the law, say, by a prescription.

The whole purpose of this is to catch the bootlegger, who flourishes here in the District of Columbia. He can not do anything of this kind in Prince Georges County. He can not do anything of this kind in Montgomery County. He can not do anything of this kind in Virginia, because in the places I have named a search warrant can be obtained for mere possession for purposes of sale. But here in the District of Columbia are 100 square miles where there is a sanctuary for bootleggers. A bootlegger can rent a private house, store his liquor there, and maintain his storage without fear if he does not make a sale therein. The only liquor law that is in effect in the District of Columbia is the national prohibition act; and that act provides that a search warrant shall not be obtained except upon evidence of a sale within a private dwelling. If a bootlegger maintains storage in a private dwelling, and is careful never to make a sale in the private dwelling, he may have a thousand quarts there and the police may know it but they can not get at it.

Mr. VANDENBERG. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Michigan?

Mr. HOWELL. I do.

Mr. VANDENBERG. Will the Senator indicate whether or not the pending amendment is involved in the objections of the Attorney General?

Mr. HOWELL. Yes; the Attorney General objects to the provision beginning on line 24, page 5. He objects to the following language of the original bill:

Or a still or distilling apparatus is unlawfully set up or being used therein, or intoxicating liquor is unlawfully delivered thereto or removed therefrom.

The Attorney General objected to that language. He did not object to it upon any grounds of constitutionality. There is no question about that. He objected merely because he thought it was inopportune to extend the right of search; that it would cause a tremendous controversy. He did not say so, but it was my impression that he considered such search provisions desirable to enforce prohibition in the District of Columbia; but he simply took the position that if we enacted this provision we would have Federal laws that were inconsistent in the matter of search and seizure; that under the national prohibition law warrants could be obtained only on evidence of sale, and he thought there ought to be uniformity. The reply to that was that Congress has a dual duty to perform in connection with the District of Columbia. It is not merely the Congress of the United States; it is a legislature for the District of Columbia; and this is a police regulation to meet certain conditions. Therefore, it should not be considered Federal legislation in its broadest sense. It is a local regulation.

Mr. VANDENBERG. Mr. President, may I inquire further?

The VICE PRESIDENT. Does the Senator from Nebraska further yield to the Senator from Michigan?

Mr. HOWELL. I do.

Mr. VANDENBERG. So far as the immediately pending amendment is concerned, the view of the Attorney General could not be enforced by merely defeating this amendment. This amendment is an effort partially to bring the law within the view of the Attorney General. Is not that a fact?

Mr. HOWELL. That is true. It modifies it.

Mr. VANDENBERG. In other words, then, to reach the view of the Attorney General, ultimately the whole phrase must be stricken out?

Mr. HOWELL. The whole phrase must be stricken out. Therefore, I see no objection at this time to adopting this particular amendment.

Mr. WHEELER. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. HOWELL. I do.

Mr. WHEELER. Did the Attorney General approve of the provision of section 10 giving the police courts jurisdiction to issue search warrants?

Mr. HOWELL. Yes. The Attorney General included that provision in his draft. Let me make this clear:

There are 16 sections in this bill. The Attorney General drafted the bill. Some modifications were made, and those to which he objects are in section 10. In all other respects the Attorney General approves of the measure.

Mr. WHEELER. So that he approves of the provision giving the police courts jurisdiction to issue search warrants?

Mr. HOWELL. He does.

Mr. BROOKHART. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Iowa?

Mr. HOWELL. I yield.

Mr. BROOKHART. I hardly understand yet the idea of the words "for purpose of sale" in the amendment. That provision restricts the conditions under which a search warrant can be issued. Suppose the liquor is delivered there for the purpose of unlawful transportation. Why should it not be seized just the same as if it is delivered for the purpose of sale?

Mr. HOWELL. Mr. President, I did not think it was necessary to introduce the words "purpose of sale"; but it was the judgment of the committee that they should be introduced, and I have accepted the judgment of the committee in this connection.

Mr. BROOKHART. But would not that restrict any seizure; and would it not protect these places where they send in liquor as a sort of a cover house for further transportation?

Mr. HOWELL. It would protect a private dwelling where liquor was being sold, and it would protect a private dwelling where liquor was delivered for lawful purposes or lawfully being delivered.

Mr. BROOKHART. That is protected, anyhow.

Mr. HOWELL. Of course, it would be necessary, in obtaining a search warrant, to have affidavits to the effect that liquor was not only being delivered to a private dwelling but was being delivered there for sale. I acknowledge that.

Mr. BROOKHART. Then, Mr. President, suppose Mr. Bootlegger—because in a private dwelling he is a bootlegger as much as anywhere else—should come in and swear that no liquor was sold there; that none was intended to be sold; and that he just stored it there for further transportation. That is just as unlawful as selling it, and yet he could get out of and avoid the prosecution by that sort of a defense.

It seems to me the words "for purpose of sale" ought to go out. I think if the liquor is unlawfully delivered for any purpose the premises ought to be searched, or if it is unlawfully removed for any purpose they ought to be searched; and I do not think we ought to have that restriction.

So far as this general search provision is concerned, we have had laws about like this in Iowa for 40 years, and they have worked successfully and without any complaint. The only fellows who complained against them were the guilty parties. Of course, they always howl about everything. So I believe I shall move to amend the amendment by striking out the words "for purpose of sale."

Mr. WALSH of Montana. Mr. President, let me remark that if those words go out the entire amendment might very properly go out, because the idea would then be conveyed by the language of the bill as it originally stood.

Mr. BROOKHART. That is true. It is simply a little more emphatic.

Mr. WALSH of Montana. All that is necessary is to reject the amendment, so that it would read "unlawfully delivered thereto or removed therefrom."

Mr. BROOKHART. I think the Senator is correct.

Mr. WALSH of Montana. All that is necessary is simply to reject the amendment. If the Senator will pardon me, this bill has not had the consideration of the Committee on the Judiciary, which has always heretofore taken care of prohibition legislation. Let me inquire of the Senator what change in the existing law this paragraph in the bill would make?

Mr. HOWELL. The Senator means section 10?

Mr. WALSH of Montana. The paragraph in relation to search and seizure.

Mr. HOWELL. Which paragraph is that?

Mr. WALSH of Montana. The paragraph now under consideration, in relation to search and seizure. What change in existing law does it propose?

Mr. HOWELL. The law in effect now is the national prohibition act, and that provides for the issuance of search warrants only in case of evidence of a sale in a private dwelling. That is the only provision now in effect in the District of Columbia in regard to that matter.

Mr. WALSH of Montana. I was endeavoring to find that provision in the general act. Has the Senator that provision before him?

Mr. HOWELL. It will be found in section 25 of the national prohibition act, which reads as follows:

SEC. 25. It shall be unlawful to have or possess any liquor or property designed for the manufacture of liquor intended for use in violating this title or which has been so used, and no property rights shall exist in any such liquor or property. A search warrant may issue as provided in Title XI of public law numbered 24 of the Sixty-fifth Congress, approved June 15, 1917, and such liquor, the containers thereof, and such property so seized shall be subject to such disposition as the court may make thereof. If it is found that such liquor or property was so unlawfully held or possessed, or had been so unlawfully used, the liquor, and all property designed for the unlawful manufacture of liquor, shall be destroyed, unless the court shall otherwise order. No search warrant shall issue to search any private dwelling occupied as such unless it is being used for the unlawful sale of intoxicating liquor, or unless it is in part used for some business purpose such as a store, shop, saloon, restaurant, hotel, or boarding house. The term "private dwelling" shall be construed to include the room or rooms used and occupied not transiently but solely as a residence in an apartment house, hotel, or boarding

house. The property seized on any such warrant shall not be taken from the officer seizing the same on any writ of replevin or other like process.

That is the provision governing the issuance of a search warrant contained in the national prohibition act for search of a private dwelling.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. HOWELL. I yield.

Mr. VANDENBERG. As I follow the Senator's reading, then, and as I understand the attitude of the Attorney General, if the language is stricken out of section 10 to which he objects, the new statute will be precisely the same as the old?

Mr. HOWELL. Exactly the same as the old respecting the issuance of search warrants.

Mr. VANDENBERG. To make the situation perfectly clear, does the Senator state that the Attorney General is satisfied with section 10 if there be stricken from it the language commencing with the word "or," on line 24, page 5, and concluding with the word "therefrom" in line 2 on page 6?

Mr. HOWELL. So far as search and seizure is concerned, yes. There is one other objection.

Mr. VANDENBERG. What is the other objection?

Mr. HOWELL. The other objection is to the provision found in the last paragraph of section 10 of the bill.

Mr. VANDENBERG. Will the Senator indicate what that is, in detail?

Mr. HOWELL. It reads:

In any proceeding for the return of liquor seized under an invalid search warrant or illegally seized under a valid search warrant such liquor shall not be returned unless it appears to the satisfaction of the court that such liquor was lawfully acquired, possessed, and used by the claimant.

Mr. VANDENBERG. What is it to which the Attorney General objects?

Mr. HOWELL. He objects to that provision.

Mr. VANDENBERG. The entire provision?

Mr. HOWELL. The entire provision I have read. The committee in that case struck out the words "under an invalid search warrant or illegally seized under a valid search warrant." It might be contended that that did not fully meet with the Attorney General's view, but it was deemed a decided step in that direction.

Mr. VANDENBERG. With the two exceptions indicated, then, the Attorney General recommends the bill?

Mr. HOWELL. He recommends this bill.

Mr. NORRIS. Mr. President, will my colleague yield?

Mr. HOWELL. I yield.

Mr. NORRIS. As I understand it, then, the Attorney General after drafting the bill changed his mind as to these provisions?

Mr. HOWELL. No.

Mr. NORRIS. Were these provisions part of the bill as he drew it?

Mr. HOWELL. There were three bills drawn. The first bill we deemed too inclusive, and it never was submitted to the Attorney General. We then proceeded to draw a second bill. That bill was submitted to the officials of the District of Columbia whose duty it is to enforce prohibition. Upon their advice certain changes were made in the second bill, and when those changes were completed the bill was then finally submitted to the Attorney General. The Attorney General did not accept the bill in that form. He redrafted it, and when it was returned to me there had been stricken out the provision for additional liberty in the matter of search and seizure and the provision with reference to return of liquor illegally seized.

When the bill was returned in that form I reintroduced these provisions. Therefore this bill is the Attorney General's bill, with such exceptions which he finally approved. In fact, to make that clear I have a copy of a letter here he addressed to the senior Senator from Kansas [Mr. CAPPER].

Mr. NORRIS. Mr. President, before the Senator reads that, the question I was asking the Senator was with reference to the particular language in the bill which we have been discussing. If we omit from it the suggested committee amendment, is the language the same as that in the bill which the Attorney General approved?

Mr. HOWELL. No.

Mr. NORRIS. Then there is something in the bill which the Attorney General did not approve?

Mr. HOWELL. Yes; in the original bill.

Mr. NORRIS. What I am trying to get at is, just what did the Attorney General approve? The Senator says he drew the bill, and he approves the bill; yet he says the Attorney General is objecting to some of the language which is not included in the committee amendment, but is in the original bill. The information I am trying to get is whether the Attorney General is now objecting to language which he put into the bill, or whether the Senator put into the bill language which the Attorney General did not have in his bill. If the latter is the case, then the Senator should modify his statement that the Attorney General is for the bill.

Mr. HOWELL. I think I made it quite plain that the Attorney General approved the bill with these two exceptions.

Mr. NORRIS. Oh, yes.

Mr. HOWELL. In a letter dated February 25, 1930, addressed to the chairman of the Committee on the District of Columbia [Mr. CAPPER], the Attorney General said:

I have your letter of February 19, transmitting a copy of Senate bill 3344 introduced by Senator HOWELL, being a bill supplementing the national prohibition act for the District of Columbia.

I will not read all of the letter, but will read the portions thereof which make clear his position:

There are but two points of difference which I desire to emphasize:

1. In his bill, Senator HOWELL has added a provision to section 10 which allows search warrants to issue in the District of Columbia to enter dwellings if a still is unlawfully set up or used therein or if liquor is unlawfully delivered thereto or removed therefrom. The national prohibition act now allows searching of dwellings only if there be proof that liquor is being sold therein. The effect of Senate bill 3344 would be to subject the dwellings of persons residing in the District of Columbia to more drastic searches than Congress has authorized in the United States, Alaska, and some of the insular possessions. I do not believe this discrimination would be justified. It is true that in some States local State legislatures have made more drastic provision for search of dwellings than has Congress in the national prohibition act, but that does not seem to justify lack of uniformity in Federal legislation. Furthermore, in my judgment, effort to improve the enforcement of the national prohibition act may better be expended, at least for the present, in other directions than in an attempt to make more drastic the provisions for searching private dwellings—an attempt which would arouse controversy with doubtful results.

2. In Senate bill 3344 there has been added in section 10 a provision that if the Government makes an illegal seizure of liquor it shall not be returned unless the claimant is able to show he possessed it lawfully.

A serious constitutional question arises as to the validity of a provision which attempts to put the Government in an advantageous position as the result of a seizure in violation of constitutional guaranties; but, aside from that, and as a matter of principle, the Government, by violating the constitutional rights of the citizen, should not be placed in a better position than it otherwise would be in. In the long run nothing will be gained for the cause of law enforcement by such means.

In the other respects in which Senator HOWELL's bill differs from that prepared in this department I see no reason to take any exception to what his bill contains.

Mr. STEIWER. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Oregon?

Mr. HOWELL. I yield.

Mr. STEIWER. What is the date of the letter from which the Senator has been reading?

Mr. HOWELL. February 25, 1930.

Mr. STEIWER. I note in the report made by the committee on this measure that reference is made to an earlier letter, of December, 1929. Are those the only two communications which have been received from the Attorney General with respect to this matter?

Mr. HOWELL. This is a copy of the only communication which I have among my papers.

Mr. STEIWER. The Senator is not familiar, then, with any other opinion of the Attorney General save the letter from which he has just quoted and the letter of December 30, 1929, written by the Attorney General to the Senator from Kansas [Mr. CAPPER] and attached to Report No. 736 on this bill?

Mr. HOWELL. I have the report here, but I do not recall that particular letter. I was quoting the Attorney General's final and last letter.

Mr. STEIWER. We are right, then, in assuming that, so far as the Attorney General has made known his views to us, he has done it through the medium of these two communications?

Mr. HOWELL. I assume that is true.

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. HOWELL. I yield.

Mr. WALSH of Montana. The language in the next paragraph, on page 6, to which I understand the Attorney General takes exception, is as follows:

> In any proceeding for the return of liquor seized under an invalid search warrant or illegally seized under a valid search warrant, such liquor shall not be returned unless it appears to the satisfaction of the court that such liquor was lawfully acquired, possessed, and used by the claimant.

To that the Attorney General objects. The committee proposes to strike out the words "under an invalid search warrant or illegally seized under a valid search warrant," so the provision would read:

> In any proceeding for the return of liquor seized, such liquor shall not be returned unless it appears to the satisfaction of the court that such liquor was lawfully acquired, possessed, and used by the claimant.

In other words, the amendment makes the provision to which the Attorney General takes exception even more drastic than it was originally, because originally it was only in case the liquor was seized under an invalid search warrant or was illegally seized under a valid search warrant that the burden was cast upon the possessor of the liquor to show that he was entitled to have it, but with those qualifying words taken out, then under any proceeding resulting from seizure the burden is cast upon the claimant to prove his ownership. In other words, the Attorney General objecting to the drastic character of the language, the committee has made the language more drastic than it was before.

Mr. HOWELL. In other words, its effect is broader.

Mr. WALSH of Montana. Exactly.

Mr. FLETCHER and Mr. BROOKHART addressed the Chair.

The VICE PRESIDENT. Does the Senator from Nebraska yield; and if so, to whom?

Mr. HOWELL. I yield first to the Senator from Florida.

Mr. FLETCHER. On that particular point I understand the Attorney General is of the opinion that the original provision in the bill would be unconstitutional. He not only objects to it as a reasonable proposition but he intimates very clearly that in his judgment it would be unconstitutional. The amendment proposed by the committee does not relieve that situation at all, but rather makes it stronger. It is more clearly unconstitutional with the committee amendment than it would be without the committee amendment. That would seem to be the situation. I think that nothing has been cured by the amendment, and without the amendment the Attorney General thinks the provision unconstitutional.

Mr. HOWELL. The national prohibition act provides that there is no property in liquor. As modified it is provided that in a proceeding for liquor it shall be in the discretion of the court to determine whether it should be returned or not. I am not a constitutional lawyer at all, but can it be possible, when a party has his day in court, when there is no property in liquor, and when the judge has the discretion to determine whether or not it should be returned, that such a provision is unconstitutional? I recognize that cases of this kind have developed. I was told, for instance, of a case where 150 half gallons of liquor were seized. It was bootleg liquor. The court ordered it returned and the bootlegger turned over half of it to his attorneys as a fee. That is what is going on here.

Mr. WALSH of Montana. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Montana?

Mr. HOWELL. I yield.

Mr. WALSH of Montana. The Senator will understand that I enter into no controversy whatever as to whether the provisions are constitutional or are not constitutional. I am simply discussing the effect of the amendment proposed by the committee. The amendment, as the Senator from Nebraska has properly said, clearly broadens the scope of it rather than narrows it.

Mr. BROOKHART. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Iowa?

Mr. HOWELL. I yield.

Mr. BROOKHART. I would like to ask the Senator from Montana if it should not be broadened and if it should not cover all cases as well as these particular cases?

Mr. WALSH of Montana. I do not know. Of course, we must recognize that liquor may be held for lawful purposes.

Mr. BROOKHART. But, of course, if it is held for lawful purposes, then it will be returned.

Mr. WALSH of Montana. No; that is the point. If the amendment proposed is agreed to, then as to any liquor seized by any officer under any circumstances the burden is cast upon the claimant to establish that he had that liquor for lawful purposes, while, of course, under all ordinary rules the man who seized it would have the burden of showing that it was held for unlawful purposes.

Mr. BROOKHART. There might be no objection to changing the burden of proof. The only occasions when liquor should be returned is when it is lawfully acquired, possessed, and used by the claimant. As to the burden of proving that fact, it may be that this provision casts the burden upon the bootlegger.

Mr. WALSH of Montana. This would be the situation: Some one pretending to be an officer, who never was an officer at all, who had no search warrant at all, goes out and seizes some liquor. The burden is then upon the claimant to prove that he had that liquor lawfully and not upon the man who seized the liquor to show that it was unlawfully held and that he had a right to seize it.

Mr. BROOKHART. How would it do to amend it so as to provide that it should not be returned unless it was proven to the satisfaction of the court that such liquor was not lawfully acquired, possessed, and used by the claimant? That would change the burden of proof.

Mr. WALSH of Montana. That is the law now. The man who seizes it must show that it was unlawfully held and that he had a right to seize it. The burden of proof is now upon him. This provision seeks to transfer the burden of proof to the claimant.

Mr. BROOKHART. As I understood the reading of the law by the Senator from Nebraska, it only applied to proof of actual selling and not to either illegal transportation or uses. I may be wrong in that, but I gathered that from the reading of the law by the Senator from Nebraska. This amendment would extend it to all unlawful cases, and perhaps leave the burden of proof where it is. But is the trouble with the present law in the burden of proof? I did not so understand that it was. I think it was limited to these other instances.

Mr. WALSH of Montana. I will try to give my view with reference to what this means. The bill provides:

> In any proceeding for the return of liquor under an invalid search warrant or illegally seized under a valid search warrant, such liquor shall not be returned unless it appears to the satisfaction of the court that such liquor was lawfully acquired, possessed, and used by the claimant.

The liquor is seized, we will say, under an invalid search warrant. Under the ordinary operation of the law, then the liquor would go back to the person from whose possession it was seized without any further inquiry unless the person

seizing it established to the satisfaction of the court that it was held unlawfully. The claimant may stand mute until the proof is made that it was unlawful, and then the court will not let it go out of its possession, because it is unlawful liquor.

Likewise that question will arise if the liquor is seized under a valid search warrant, but illegally seized. The search warrant gives the officer authority to search in a certain place for liquor, but he does not search there. He goes somewhere else and searches and seizes, so he actually makes a seizure under a valid search warrant, but it is an illegal seizure. In both of those cases the burden is cast upon the claimant to show that the liquor was lawfully held by him, in order that he may get it back, but the amendment puts the burden upon him under any circumstances whatsoever. When the liquor goes into court the burden is upon him.

Mr. BROOKHART. I understand the Senator's position, but I do not quite understand with reference to the law as it is now. As I understand the law now, if it is seized under an invalid search warrant it is released even though it is bootleg liquor and held for an unlawful purpose because of a defective search warrant—and that to me is a very unreasonable position—or if it is illegally seized, as the Senator said, under a valid search warrant. Then it would be released even though it was held for illegal purposes under the law as it exists now. I did not understand the burden of proof question was involved. I think it is quite easy generally to prove that it was held for illegal purposes if it was so held.

Mr. WALSH of Montana. It did not seem to me there was any occasion for legislation of that character, because it ought to be reasonably easy to establish that it was unlawfully held.

Mr. BROOKHART. I do not understand that the courts so construe the law. They do not hear any proof at all. If it is illegally seized, they release it regardless of the character of the liquor. That is the vice of the present situation.

Mr. McKELLAR. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to the Senator from Tennessee?

Mr. HOWELL. I yield.

Mr. McKELLAR. I would like to ask the Senator from Montana this question. Under the present law where liquor has been taken and a writ of replevin sued out, is not the burden of proof upon the one who sues out the writ of replevin?

Mr. WALSH of Montana. Unquestionably, but it will be observed that when it is seized under a search warrant it is brought into court. Then, of course, if it shall be shown that the seizure was unlawful, either by reason of the invalidity of the search warrant or otherwise, when a motion is made to vacate the seizure, or to vacate the warrant, the court will order the property back into the hands of the owner.

Mr. McKELLAR. Yes; but in the case where a claimant for the liquor brings a writ of replevin for it, the burden is on him. If this bill should pass he would make the claim in the court. Ought not the burden to be on him in the same way?

Mr. WALSH of Montana. Quite right, if he brought a suit of replevin, but ordinarily it is not necessary. The easier method would be to vacate the search warrant or to vacate the seizure.

Mr. HOWELL. Mr. President, to give an idea of the necessity of such a provision for the District of Columbia enforcement law, I call attention to the testimony of Sergeant Little before the Committee on the District of Columbia in connection with this bill. The statement of Sergeant Little is as follows:

> Sergeant LITTLE. Gentlemen, here is a case. There were only three quarts involved in this particular one, but there was a notorious bootlegging joint in the District of Columbia. I had a complaint about it, and I went up there and watched it, and in 15 minutes' time there were 20 automobiles drove up to that place. Sometimes there would be only the operator who would get out, and he wouldn't be in there five minutes before he would be right out. He didn't bring anything out; we couldn't see a thing. Possibly 20 minutes after that time, there was a young lad came out with a brief case, and it seemed to contain bottles, or something heavy. He got in his car and drove away, and I followed him. After following him about three squares, I got along aside him and told him to stop. I said, "I am Sergeant Little, of the Metropolitan police department." I said, "I was just observing conditions at a certain bootlegging joint, and I saw you come out with a brief case that appeared to be heavy. Have you any liquor in there?"
>
> He said, "I have nothing to say."
>
> At that point I instructed one of my men to pick up the brief case, and it was heavy. He opened the case, and there were three quarts of gin in it.
>
> There was a motion to suppress filed in that case, and the motion was granted.

Sergeant Little went on further and stated this case:

> Here is another one where there were 148 quarts of alcohol, 9 quarts of gin, and 17 quarts of colored liquor in an automobile. Motion was filed in that case, and the case was thrown out of court, motion granted.
>
> As long as these conditions exist, gentlemen, we are not going to get anywhere.

That concludes Sergeant Little's statement.

Now, as to the burden of proof, section 33 of the national prohibition act reads in part:

> But it shall not be unlawful to possess liquors in one's private dwelling while the same is occupied and used by him as his dwelling only and such liquor need not be reported, provided such liquors are for use only for the personal consumption of the owner thereof and his family residing in such dwelling and of his bona fide guests when entertained by him therein; and the burden of proof shall be upon the possessor in any action concerning the same to prove that such liquor was lawfully acquired, possessed, and used.

Mr. NORRIS. Mr. President——

The VICE PRESIDENT. Does the Senator from Nebraska yield to his colleague?

Mr. HOWELL. I yield.

Mr. NORRIS. I am interested in the quotation the Senator has just read. I can not quite understand why, that being the law and applying to the District of Columbia, as I understand—I am correct in that understanding, am I not?

Mr. HOWELL. Yes; it is the national prohibition act.

Mr. NORRIS. Inasmuch as that law applies to the District of Columbia, upon what ground are these actions taken by the court here in the District? Why is not that provision of the act enforced, and why is it not sufficient if it is enforced?

Mr. HOWELL. Mr. President, I am not an attorney, and I am familiar with the legal procedure here in Washington only through my investigation. I did learn, however, that there were some judges who leaned backward in the matter of the enforcement of the prohibition law and gave attention to technicalities to such an extent that it was almost impossible in many cases to convict persistent violators of the liquor law. I gave an example yesterday in the course of my remarks of one offender who during a period of 10 years had been charged fifty-four times with illegal possession and other violations of the liquor law, but during that entire period he has never served one day in jail and his total fines only amounted to about $390.

Mr. NORRIS. I propounded my question not with any feeling of hostility toward the pending bill or any existing law on the subject; but if it be true that the judges and court officials in the District of Columbia do not enforce the existing law fairly, what can we expect if we pass another law? Will they not do the same thing? The idea struck me—and that is the reason I asked the question—that the very provision the Senator read from the national prohibition act, which, as I understand, applies to the District of Columbia, was as strong as the one that is being now proposed, and violators of the law escape under it; the law is not enforced; all these cases the Senator tells us about happen; and the guilty men escape for one reason or another. It looks to me as if the difficulty comes more with the enforcement officers and the courts in the District than it does from the lack of proper laws governing these cases, and if that be true I can not help but wonder what will happen if we enact another law. If we want to remedy the condition should we not do something to get after the officials who do not perform their duty?

Mr. HOWELL. Mr. President, there is no doubt that there should be developed in our law enforcement personnel, the Federal personnel and the judges, for that matter, a different spirit with reference to the enforcement of the prohibition law.

The VICE PRESIDENT. The question is on the amendment which the Secretary will again report.

Mr. BLAINE. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator from Wisconsin will state it.

Mr. BLAINE. If the amendment shall be carried, then will an amendment be in order at any time to strike out any portion of the provisions including the amendment?

The VICE PRESIDENT. If an amendment subsequently offered covers part of the amendment agreed to, then the vote by which the amendment was agreed to would have to be considered before a motion to strike out would be in order.

Mr. BLAINE. So a motion to strike out would not be in order.

The VICE PRESIDENT. A motion to strike out any other part of the bill except that part which was amended would be in order.

Mr. BLAINE. Including the part that was amended?

The VICE PRESIDENT. If this amendment be disagreed to, then the motion would be in order; but if it be agreed to before a motion to strike out could be made there would have to be a reconsideration.

Mr. BLAINE. Under those circumstances, permit me to offer an amendment to the committee amendment. I send the amendment to the amendment to the desk.

The VICE PRESIDENT. Let the amendment to the amendment be reported.

The LEGISLATIVE CLERK. On page 5, it is proposed to amend by striking out line 24, after the word "liquor," and line 25, and on page 6, by striking out lines 1 and 2 down to and including the word "therefrom."

Mr. WALSH of Massachusetts. Will the Senator from Wisconsin explain his amendment?

The VICE PRESIDENT. The amendment to the amendment embraces more than the committee amendment and is not in order at this time.

Mr. BLAINE. Mr. President, a parliamentary inquiry. Will that amendment be in order in any case?

The VICE PRESIDENT. Yes; the amendment will be in order later.

Mr. BINGHAM. Mr. President, I desire to make a parliamentary inquiry, in view of the statement just made by the Chair to the Senator from Wisconsin. May I say to the Chair that I have offered—it is not pending, because the committee amendment is pending—an amendment which strikes out all after the enacting clause and inserts a complete substitute for the bill. Would that amendment be in order, provided the committee amendment now offered had been adopted?

The VICE PRESIDENT. It would be; but the provision to be stricken out should be first amended, if amendments are to be proposed to it.

The question is on the committee amendment, which will be stated.

Mr. WALSH of Massachusetts. I ask to have the committee amendment stated.

The VICE PRESIDENT. It will be stated.

The LEGISLATIVE CLERK. The committee proposes, on page 6, lines 1 and 2, to strike out "or" and insert "for purpose of sale, or is unlawfully."

The VICE PRESIDENT. The question is on agreeing to the committee amendment. [Putting the question.] By the sounds the ayes seem to have it.

Mr. WHEELER. I call for the yeas and nays.

The yeas and nays were ordered.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ASHURST. May the amendment be stated?

SEVERAL SENATORS. It has just been stated.

Mr. BINGHAM. Mr. President, may the amendment be stated, as requested by the Senator from Arizona?

The VICE PRESIDENT. The clerk will again state the amendment.

The legislative clerk restated the amendment.

The VICE PRESIDENT. The clerk will continue the calling of the roll.

Mr. BINGHAM. Mr. President, no one has answered to the roll call yet. Evidently there is some doubt in the minds of Members present as to the effect of this amendment; and I should like to ask the Senator from Montana [Mr. WHEELER], who has been sitting here through the debate—unfortunately, I have been absent attending a meeting of the Committee on Appropriations—to state exactly the significance of this amendment.

Mr. WHEELER. Mr. President, I just came into the Senate Chamber myself. I suggest that the Senator direct his question to the author of the bill, the Senator from Nebraska [Mr. HOWELL]. My understanding of the matter, however, if I understood the Senator from Nebraska correctly, is that the Attorney General of the United States practically drafted this bill, but that he is opposed to certain sections of it, beginning on page 5, line 24, with the word "or," and ending with the word "therefrom," on page 6, line 2. The committee amended the bill by inserting the words "for purpose of sale, or is unlawfully."

Mr. WALSH of Massachusetts. I ask unanimous consent that the order for calling the yeas and nays be revoked.

The VICE PRESIDENT. Is there objection? The Chair hears none. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The VICE PRESIDENT. The clerk will state the next amendment.

The LEGISLATIVE CLERK. On page 6, line 13, after the word "seized," it is proposed to strike out "under an invalid search warrant or illegally seized under a valid search warrant," so as to make the paragraph read:

> Property seized under a search warrant issued under this act shall not be taken from the officer seizing the same on a writ of replevin or other like process, but shall be subject to such disposition as the court may order. In any proceeding for the return of liquor seized such liquor shall not be returned unless it appears to the satisfaction of the court that such liquor was lawfully acquired, possessed, and used by the claimant.

The VICE PRESIDENT. The question is on agreeing to the amendment. [Putting the question.] By the sound the noes seem to have it. The noes have it, and the amendment is rejected.

Mr. BROOKHART. Mr. President, a roll call.

The VICE PRESIDENT. It is too late.

Mr. BROOKHART. I demanded it before——

The VICE PRESIDENT. The Senator can not demand a roll call in his seat. Senators desiring to interrupt must rise and address the Chair. The clerk will state the next amendment.

The LEGISLATIVE CLERK. On page 7, line 11, after the word "court," it is proposed to insert the following language:

> *And provided further*, That in the event that the court should order a sale of the vehicle, and it shall sell for a sum less than the value thereof, as such value was estimated in fixing the penalty of the bond, the owner will pay the difference between such value and the proceeds of such sale, plus any lien against the vehicle, together with the expense and cost of the sale. If the vehicle so released on bond is not surrendered to the custody of the court at the hearing or trial for the forfeiture thereof, the bond shall be declared forfeited and the court shall thereupon issue an order directed to the principal and sureties therein to show cause why a judgment should not be entered against them for the penalty therein specified.

Mr. WALSH of Massachusetts. Mr. President, may we have an explanation of that amendment from the Senator from Nebraska?

Mr. HOWELL. Yes, Mr. President. The purpose of the amendment is this:

An automobile may be seized, and then released upon bond; but the charge against the offender may not come to trial for a year or two years, and by that time the automobile is worn out. The purpose of this amendment is to provide that the bondsman shall be liable for the value of the automobile as determined at the time of the seizure,

and that if the automobile is released on bond and finally becomes junk there shall be turned into court the value of the automobile as determined at the time of the seizure.

Mr. WALSH of Massachusetts. Just what is the present law?

Mr. HOWELL. The law now in effect allows this very thing to occur—the release of an automobile and the operation of the automobile until the time of the trial of the offender.

Mr. WALSH of Massachusetts. In what way does the committee amendment change the present law?

Mr. HOWELL. Simply this—that the bond has to contain a provision that when the automobile is returned the difference in its value at the time it was released and the time it was returned shall be made good by the bondsman.

Mr. WALSH of Massachusetts. Is the amendment for the benefit of the Government?

Mr. HOWELL. For the benefit of the Government.

The VICE PRESIDENT. The question is on agreeing to the amendment of the committee.

The amendment was agreed to.

The VICE PRESIDENT. That completes the committee amendments.

Mr. BINGHAM. Mr. President, I send to the desk an amendment which I ask to have stated.

The VICE PRESIDENT. The Chair will suggest that if the Senator from Wisconsin [Mr. BLAINE] has an amendment to the original bill it should be proposed first, if the Senator from Connecticut will permit that to be done. The Senator from Connecticut may offer his amendment, but under the rules the part to be stricken out must be first amended.

Mr. BINGHAM. Mr. President, the amendment I have offered is one which strikes out all after the enacting clause and inserts a totally different bill. If the suggestion of the Chair were to prevail, it would prevent this amendment from being considered until all amendments in the nature of perfecting amendments had been considered and disposed of.

The VICE PRESIDENT. If the amendment of the Senator from Connecticut is proposed now, the rule still applies. Amendments can be proposed to either the matter proposed by the Senator or the other matter; but the question must be submitted first on the part to be stricken out. If the Senator insists, his amendment will be read.

Mr. BLAINE. Mr. President, I offer the amendment which I sent to the desk a short time ago.

The VICE PRESIDENT. Does the Senator from Connecticut withhold his amendment?

Mr. BINGHAM. I should like to have my amendment voted on at this time.

The VICE PRESIDENT. It can not be voted on at this time under the rule. If it is read, still the amendment of the Senator from Wisconsin would be in order first.

Mr. BINGHAM. Let it be read, Mr. President. Then I should like to be recognized to say a few words upon it.

The VICE PRESIDENT. The amendment will be stated.

The LEGISLATIVE CLERK. It is proposed to strike out all after the enacting clause and to insert the following:

That the national prohibition act, as amended and supplemented, is amended in the following respects:

(a) By striking out the words "one-half of 1 per cent or more" wherever they appear in such act, and inserting in lieu thereof the words "more than 4 per cent."

(b) By striking out the words "less than one-half of 1 per cent" wherever they appear in the act, and inserting in lieu thereof the words "not more than 4 per cent."

(c) By striking out the words "more than one-half of 1 per cent" wherever they appear in such act, and inserting in lieu thereof the words "more than 4 per cent."

(d) By striking out the words "below such one-half of 1 per cent" wherever they appear in such act, and inserting in lieu thereof the words "to 4 per cent or less."

(e) By striking out the words "and is otherwise denominated than as beer, ale, or porter" where they appear in section 1 of Title II of such act, and inserting in lieu thereof the words "and is otherwise denominated than as ale."

SEC. 2. Any offense in violation of, or any right, obligation, or penalty, or any seizure or forfeiture based upon any provision of the national prohibition act, as amended and supplemented, or upon any regulation or permit issued thereunder, committed, accruing, made, or incurred prior to the time this act takes effect, may be prosecuted or enforced in the same manner and with the same effect as if this act had not been passed.

SEC. 3. All permits issued under the national prohibition act, as amended and supplemented, before this act takes effect, shall be valid with respect to intoxicating liquor as hereinbefore defined in this act, to the same extent as such permits are, at the time this act takes effect, valid with respect to intoxicating liquor as defined by law prior to the enactment of this act.

SEC. 4. This act shall take effect at the end of the thirtieth day after its passage.

Mr. BINGHAM. Mr. President, I think it will be generally agreed, even by the friends of total abstinence, that in the Volstead Act and other acts constituting what is known as the national prohibition law the statement that anything containing one-half of 1 per cent of alcohol is an intoxicating beverage is untrue and one of the most misleading statements ever made in any law. It has been pointed out that buttermilk which stands in the pantry for two or three days contains one-half of 1 per cent of alcohol as a general rule, and yet no one would think of buttermilk as being an intoxicating beverage.

Mr. WHEELER. Mr. President——

The VICE PRESIDENT. Does the Senator from Connecticut yield to the Senator from Montana?

Mr. BINGHAM. I do.

Mr. WHEELER. I should like to inquire of the Senator whether or not the amendment which he has offered has the approval of the President of the United States?

Mr. BINGHAM. I do not think the Senator really needs to ask that question, in view of the message which the President sent down with the Wickersham report. I may say, however, that I have not talked with him.

Mr. WHEELER. I rather gathered that impression at first, but after seeing the statement issued by the Senator from Ohio [Mr. FESS] and other prominent Republicans to the effect that the President's mind was still open on the subject and, as I gathered from that statement, that his only objection was to the specific amendment, I thought that since the Senator is so close to the President he was probably doing this for and on behalf of the administration.

Mr. BINGHAM. Mr. President, I dislike to introduce politics into a matter which is really of scientific importance.

The fact of what constitutes an intoxicating beverage of course differs with different people. Some people get intoxicated by the sound of their own voices. Perhaps that ought to be put into the bill. Other people get intoxicated when they go to a football game and decide that they are in favor of the winning side, even though they may not have been in the grandstand or may have been hidden behind somebody's hat during the entire game. Other people do not get intoxicated with a very large number of drinks. It is a matter of personal idiosyncrasy. But, as was stated by Prof. Yandell Henderson, professor of physiology in Yale University, in the article which I put into the RECORD a few days ago, careful scientific investigation shows that in order for a person to become intoxicated on ordinary, good old-fashioned 4 per cent beer it would be necessary for him to make a hog of himself; in other words, to drink far more than any one would want to drink at any one time within the time limits necessary to become intoxicated.

Mr. President, when I put in this amendment I had reason to believe, due to the testimony of impartial scientific investigators, that it was entirely constitutional, because the Consitution is against the manufacture, sale, and transportation of intoxicating beverages. I have been urged to put in an amendment which would permit the manufacture of light wines. So far as I know, however, there are few if any light wines containing less than 8 or 10 per cent of alcohol; and I doubt very much whether it could be held that the Constitution would permit the manufacture at the present time of a beverage containing 10 per cent of alcohol.

However, there appears to be no real question over the fact that the statement that anything containing one-half of 1 per cent of alcohol is intoxicating is a false statement. Why it was put in I do not know. I have heard it said that it was suggested by the brewers, who stated that if we made the provision one-half of 1 per cent everybody would realize

that it was so ridiculous that the measure would not pass or would not be permitted to continue on the statute books.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Connecticut yield to the Senator from Idaho?

Mr. BINGHAM. I yield.

Mr. BORAH. Has not that percentage been accepted by the Government for the last 100 years as the test in the collecting of revenue?

Mr. BINGHAM. I understand that was adopted at the suggestion of the brewers in order to protect them against competition by so-called vendors of soft drinks, who frequently made a beverage which contained 1½ or 2 per cent of alcohol, which might have been manufactured without paying the tax on intoxicating beverages.

Mr. BORAH. The brewers and everyone else accepted it for years and years as being the correct test of intoxicating liquor, did they not?

Mr. BINGHAM. I do not know as to that. Probably the Senator from Idaho is better informed than I am on that subject. But I submit that no ordinary, average individual who has not some personal idiosyncrasy or peculiarity can become intoxicated in the slightest degree on anything containing 1 per cent or 2 per cent of alcohol, or even 4 per cent.

Furthermore, the statement in the law that one-half of 1 per cent of alcohol makes a beverage an intoxicating beverage, while it may have been based on a Treasury ruling, or design to collect revenue, does not make it the fact. After all, the Constitution was not amended in order to take care of revenue; if that had been the object, it never would have been amended in the way it was amended, because it has deprived us of hundreds of millions of dollars of revenue.

Mr. BORAH. I take it the Senator is offering this in the interest of truth and science.

Mr. BINGHAM. Exactly, Mr. President, and also in an endeavor to revise the Volstead Act in a constitutional manner.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. BINGHAM. I yield.

Mr. WALSH of Massachusetts. I inquire why the Senator fixed on 4 per cent rather than 3 per cent. It is my recollection that practically every State law previous to the enactment of the prohibition act made 3 per cent the dividing line between liquor that was intoxicating and that which was nonintoxicating.

Mr. BINGHAM. I think the Senator will find that the difference lies in the expression "by volume." In the national prohibition act the words "by volume" are used, and 4 per cent by volume is about equivalent to 2.75 per cent by the other method of measuring the alcohol content, by weight. Since the national prohibition act provides for measurement by volume, I made it 4 per cent. Had it provided for a measurement by weight, I should have made it 2.75 per cent.

Mr. WALSH of Massachusetts. Is that in conformity with the general State statutes previous to national prohibition fixing it at 3 per cent by weight?

Mr. BINGHAM. It would not be quite as much as that. I think a beverage containing 4 per cent by volume does not contain quite as much alcohol as one containing 3 per cent by weight. At least, I have been so informed.

Mr. President, the amendment proposed also permits a change in labeling, to permit a beverage to be labeled "beer" and sold as such, but does not permit a change to be made in the labeling of ale. Ale normally contains more than 4 per cent of alcohol, and therefore to label anything "ale" and sell it as ale when it contains only 4 per cent of alcohol would be deceiving the customer. Therefore that change has been suggested.

Mr. President, I do not desire to consume any large amount of time on this matter, but I would like to have a record vote on the amendment, because I would like to know how many of the Senate really believe that the present provision of one-half of 1 per cent is a correct interpretation of the Constitution and how many are willing to make a more reasonable interpretation, in view of the scientific evidence which has been produced.

I shall ask for the yeas and nays at a later time. I understand the junior Senator from Wisconsin [Mr. BLAINE] at present has an amendment he desires to offer.

The PRESIDING OFFICER. The Chair will state that if any amendment is to be offered, it should be offered now.

Mr. ASHURST. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. ASHURST. Has the Senator from Nebraska accepted the amendment proposed by the Senator from Connecticut? [Laughter.]

Mr. BLAINE. Mr. President, I have offered an amendment, which is on the desk.

The PRESIDING OFFICER. The clerk will state the amendment.

The LEGISLATIVE CLERK. On page 5, line 24, strike out all after the word "liquor" down to and including the word "therefrom," on line 2, page 6, the words stricken out being "or a still or distilling apparatus is unlawfully set up or being used therein, or intoxicating liquor is unlawfully delivered thereto for purpose of sale, or is unlawfully removed therefrom."

The PRESIDING OFFICER. This amendment has precedence over the amendment which has just been discussed.

Mr. BLAINE. Mr. President, the mere reading of this amendment is sufficient to explain what the amendment proposes to do. If adopted, the amendment will bring the bill within the approval of the Attorney General with respect to this one specific question. It will also bring the bill within the approval of the Wickersham Commission, according to its report. I am going to quote that portion of the Wickersham Commission's report which has reference to this particular provision of the pending bill.

Mr. BARKLEY. Which report is it from which the Senator is about to read?

Mr. BLAINE. This is the undivided divided report.

Mr. CARAWAY. Is that the unanimous report?

Mr. BLAINE. It is just the undivided report of the divided report. That is the only way I can characterize it. It is contained on page 119, under factual findings. The commission said this:

> More latitude for searches and seizures has been urged by many. No doubt the difficulties in this connection have had much to do with the abandonment of Federal activity against home making of wine and beer.

Mr. McKELLAR. Mr. President, from what page is the Senator reading?

Mr. BLAINE. I do not know what page it is in the congressional print, but I am reading from page 119 of the commission's print. It is under the subject, "Improvements in the Statutes and Regulations." The Senator will find the subject in the index.

Mr. McKELLAR. I have it.

Mr. BLAINE. What I read is very close to the conclusion to the commission's factual findings. I continue the reading:

> No doubt the difficulties in this connection have had much to do with the abandonment of Federal activity against home making of wine and beer. Also the limitations upon search and seizure have undoubtedly hampered investigators and special agents in every connection. But apart from constitutional questions, too much resentment and irritation is likely to be provoked by changes which would give to enforcement of national prohibition greater latitude than is permitted with respect to other laws.
>
> We do not think it advisable to alter the Federal law with respect to search and seizure, assuming that it would be possible.

The commission takes the stand that in all probability provisions similar to the one in the pending bill are invalid, unconstitutional. It also takes the position that resentment and irritation will be provoked by the establishment of a law and the enforcement of that law which go beyond the enactment and enforcement of all other laws, and I think that is a most valid reason.

However, the Constitution of our country protects or is presumed to protect the people of the United States in the possession, occupancy, and enjoyment of their homes without being molested by spies and agents provocateurs.

There is no human being no despicable as is a spy, when a creature of that character worms himself into the sacred precincts of the home. Let me say, Mr. President, that in war time spies are shot at sunrise. Well might present-day spies who violate the sanctity of the home profit by their example.

Mr. President, in the enforcement of prohibition, those who favor its enforcement have chosen the spy system of enforcement, a system which is obnoxious to a free people, a system which has been a failure wherever it has been established in all time and under every government. In this respect it will be found that public sentiment is turned against the prohibition law because of the enforcement of that law through spies.

Spy government is a bad government. It is a government which, if persisted in too long and over a large field, is bound to bring about the destruction of that government.

The commission's proposal suggested that the infringement of the law, the disregard of the fourth amendment to our Constitution, brings on resentment and irritation and creates a general antagonism toward the law. If the same system of enforcement prevailed with respect to all other laws carrying penalties, in all probability the resentment and the irritation attendant upon the enforcement of those laws by a spy system would bring about a public sentiment adverse even to the laws essential in order for us to have a government. And yet, Mr. President, the overzealous are here proposing to engraft upon this bill a provision that is not contained even in the Volstead Act.

Mr. BORAH. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. BLAINE. I yield.

Mr. BORAH. I understand the Senator proposes to leave in the bill the following words:

No search warrant shall issue to search any private dwelling occupied as such, unless it is being used for the unlawful sale of intoxicating liquor.

That is to remain in the bill?

Mr. BLAINE. My amendment does not strike that out.

Mr. BORAH. I am very much in sympathy with a proper protection of the home against unlawful search, but I do not see how this language can be stricken out with an equally objectionable part left in, as follows:

Or a still or distilling apparatus is unlawfully set up or being used therein, or intoxicating liquor is unlawfully delivered thereto—

It would seem that if the home had——

Mr. BLAINE. The Senator does not read all that I propose to strike out.

Mr. BORAH. No—

delivered thereto for purpose of sale or is unlawfully removed therefrom.

What I am interested to know is the objection to the language which is being stricken out which does not obtain with reference to the part which is being left in the bill.

Mr. BLAINE. I have an entirely different opinion upon that proposition. As I understand, the purpose of the eighteenth amendment was to prohibit commercialized liquor traffic. That I understand was the purpose. That being the purpose of the eighteenth amendment as generally conceived to be the purpose by those who are ardent supporters of it, they did not propose when they enacted the Volstead law to go beyond that purpose with respect to search of the home. They proposed to carry out that purpose by providing that search warrants should issue for the search of a private dwelling or home only where there is an unlawful sale of liquor—in other words, the commercial traffic in liquor designed to be prohibited by the eighteenth amendment—and therefore they conceived it was unnecessary to go beyond that proposition in order to carry out the purpose of the eighteenth amendment.

Mr. WHEELER. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Montana?

Mr. BLAINE. I yield.

Mr. WHEELER. It seems to me that, beginning with line 22 on page 5 and ending with line 2 on page 6, there is an inconsistency because of this fact:

No search warrant shall issue to search any private dwelling occupied as such unless it is being used for the unlawful sale of intoxicating liquor.

Then it continues:

Or a still or distilling apparatus is unlawfully set up or being used therein.

I would not have any objection at all, if the search warrant is going to be used at all, to it being used under those two circumstances; but it then goes on to say:

Or intoxicating liquor is unlawfully delivered thereto.

Suppose somebody has some liquor delivered to his house for his own private use. A man goes and makes affidavit that he has seen liquor being delivered to that home. Under that pretext and under that affidavit the man goes to the police court and gets out a search warrant, puts it in the hands of some police officer, and then on that pretext searches the man's house. That is the objection I have to the provision—first, that it is permitted to be done in police court, and, second, that it is being turned over to some police officer, and, third, that it can be done on the pretext that liquor has been unlawfully delivered to that house.

Mr. BORAH and Mr. HOWELL addressed the Chair.

The PRESIDING OFFICER. Does the Senator from Wisconsin yield; and if so, to whom?

Mr. BLAINE. I will yield first to the Senator from Idaho and then I shall be glad to yield to the Senator from Nebraska.

Mr. BORAH. If the words "or intoxicating liquor is unlawfully delivered thereto for purpose of sale, or is unlawfully removed therefrom," were asked to be stricken out I could very readily support it, but I can not see what harm is to follow from searching a house where there is a still or distilling apparatus unlawfully set up or being used, if we are going into the home for the unlawful sale of intoxicating liquor.

Mr. WHEELER. I agree with the Senator entirely——

Mr. BORAH. But either would be subject to great abuse, in my judgment.

Mr. WHEELER. I agree entirely with the Senator except that I do not like to have it done in police court. I would like to know what is the idea of having the police court issue the search warrant rather than having the district court do it. I think there is where the greatest danger will come, in enabling anyone to go to a police judge, permitting the police judge to issue a search warrant, and then turn it over to any ordinary policeman in the District of Columbia, some of whom, at least judging from what we read in the newspapers, are not of a very high type of character. I would object to some of these policemen coming into my house with a search warrant, to say nothing about coming in under any other circumstances.

Mr. BLAINE. I now yield to the Senator from Nebraska.

Mr. HOWELL. First I want to call attention to the fact that in the case of a search warrant being obtained upon the delivery of liquor to a private dwelling, there must be evidence that it is delivered for sale. It is not merely that a search warrant could be secured upon the ground that some liquor had been delivered to a private dwelling.

Mr. WHEELER. The Senator is mistaken about it. All a man has to do is to make an affidavit upon information and belief that liquor has been delivered to a house for the purpose of sale. He makes such an affidavit. He can not possibly know it is for the purpose of sale, because that is a mere conclusion on the part of the man making the affidavit. It is not a fact that he can prove. It is a conclusion of the man who makes the affidavit.

Mr. HOWELL. One familiar with the private dwelling that is being used by a bootlegger for running a speak-easy would have a different viewpoint. If liquor were delivered at that dwelling it would not be absolutely necessary that some one must imagine it is going to be sold. He might have the evidence, and if he did not have the evidence the commissioner would not issue the search warrant.

There is an invisible line right through the section that is built up to the north of the Capitol. On one side is Washington proper and on the other side is Chevy Chase, Md. Dwelling after dwelling has been erected in the Chevy Chase region and there is a very large population out there, considered to be one of the best sections for homes. They have a more drastic search-warrant provision in the territory occupied by Chevy Chase than is provided in this bill.

Mr. BORAH. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Idaho?

Mr. BLAINE. I yield.

Mr. BORAH. I want to ask the Senator from Nebraska why it is necessary to have anything in addition to the following:

> No search warrant shall issue to search any private dwelling occupied as such unless it is being used for the unlawful sale of intoxicating liquor.

If there is any unlawful sale going on, you are entitled to a search warrant. That is a rather drastic provision itself when we contemplate the manner in which search warrants are secured under the prohibition act. Then if we add to that the words "or a still or distilling apparatus unlawfully set up or being used therein," why is it necessary to go any further? If we permit the search of all homes in which intoxicating liquor is being unlawfully sold or in which there is a still set up and being used, and then attempt to go beyond the shadowy line which we get on the other proposition that it is being introduced for an unlawful purpose and unlawful sale, it seems to me we are getting on very dangerous ground. We ought not in our effort to enforce the prohibition law to disregard the other provisions of the Constitution of the United States.

That is the reason why I voted against the Volstead Act in the first place, because in my opinion its search and seizure clauses were unreasonable and in contravention of the spirit if not the letter of the Constitution of the United States. If we do that which we may lawfully and properly do under the other provisions of the Constitution and are successful in executing the law under those provisions, we need not trespass upon dangerous ground. I think the Senator is trespassing upon dangerous ground when he puts in the bill the words "or intoxicating liquor is unlawfully delivered thereto for purpose of sale, or is unlawfully removed therefrom."

Mr. HOWELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Nebraska?

Mr. BLAINE. I yield.

Mr. HOWELL. It is recognized that the national prohibition act is not sufficient to enforce prohibition. The national prohibition act was designed to supplement local prohibition laws. There are 49 political subdivisions in continental United States. All but five of them have local laws supplementing the national prohibition act. The District of Columbia is one of those subdivisions which has no local act, and the difficulties of enforcing prohibition in the District of Columbia because of that fact result in the intemperance and the consumption of liquor here in the manner which I outlined yesterday. The question is, Are we willing to do what the officials here want done in connection with enforcement, to give them an opportunity to enforce the law? Yet they do not ask us to go so far as the laws of Virginia, as the laws of Montgomery County and Prince Georges County, Md., or as far as the laws in 29 States of the Union go, because in 29 States of the Union a search warrant can be obtained merely upon evidence of possession.

We are either going to enforce prohibition in the District of Columbia or we are not. We have not been enforcing it. It is now, as I have heretofore stated, a sanctuary for the bootlegger and his supplies of liquor. Are we going to say we will not do anything to prevent this being a sanctuary for the bootlegger?

Mr. WALSH of Massachusetts. Mr. President——

The PRESIDING OFFICER. Does the Senator from Wisconsin yield to the Senator from Massachusetts?

Mr. BLAINE. I yield.

Mr. WALSH of Massachusetts. Has any tabloid report been made as to just what differences the bill would make in the national prohibition law, or any report pointing out in just what details and in what particulars the bill changes the national prohibition act?

Mr. HOWELL. No; there is no report of which I am aware.

Mr. WALSH of Massachusetts. Has the Senator or any member of his committee given in detail the changes that are proposed by the pending bill in the penalties imposed by the national prohibition act?

Mr. HOWELL. No.

Mr. WALSH of Massachusetts. Where can we get that information?

Mr. HOWELL. If the Senator will read the report of the committee——

Mr. WALSH of Massachusetts. It seems to me we ought to have in parallel columns here just what is provided for under the present prohibition act and how that act will be changed or enlarged and what the penalties are under the prohibition law and what changes are proposed in the penalties by the pending measure. I think it would be very helpful if the Senator from Nebraska could get the Attorney General or whoever drafted this measure to furnish us that information.

Mr. HOWELL. That question may be answered generally in this way: The Attorney General found fault with the search and seizure provision of the bill because it led to nonuniformity between this proposed act and the national prohibition act; but it was found with the search and seizure provision and the provision respecting the confiscation of liquor stricken out that in such cases there was a conformity.

Mr. WALSH of Massachusetts. What officer of the Government knows just what this proposed law will do when it shall be put into operation that the present prohibition law does not provide for?

Mr. HOWELL. The Attorney General has that information.

Mr. WALSH of Massachusetts. Very well. Now, has the Senator from Nebraska any objection to our communicating with the Attorney General and asking him to give us in detail the differences between this proposed law and the present national prohibition law?

Mr. HOWELL. If the Senator desires a report of that kind I suppose, of course, it can be obtained.

Mr. WALSH of Massachusetts. Will the Senator from Nebraska state whether under the pending bill there are many changes in the penalties now provided and what those penalties are?

Mr. HOWELL. There is no difference so far as the penalties are concerned between this bill and the national prohibition act and/or the Sheppard Act. The Sheppard Act was in effect for three years. In other words, this bill does not propose to go beyond the provisions of the national prohibition act and the Sheppard Act.

Mr. WALSH of Massachusetts. But the Sheppard Act was repealed by the national prohibition act.

Mr. HOWELL. The Sheppard Act was assumed to be repealed by the national prohibition act.

Mr. WALSH of Massachusetts. It has been so held, has it not?

Mr. HOWELL. No; it has never been so held directly.

Mr. WALSH of Massachusetts. There is still some doubt about it?

Mr. HOWELL. There is still some doubt; some insist that the Sheppard Act in part is still in effect.

Mr. WALSH of Massachusetts. Is not one of the reasons for the enactment of this proposed law the fact that some people think the Sheppard Act has been repealed?

Mr. HOWELL. Oh, yes; and the officials of the District of Columbia assume that such is the case.

Mr. WALSH of Massachusetts. And in case the court shall find that the Sheppard law has been repealed, it is proposed that this legislation shall take the place of the Sheppard law?

Mr. HOWELL. Yes; this bill repeals the Sheppard Act; and, as I say, so far as penalties are concerned, this bill does not propose to go beyond the national prohibition act and/or the Sheppard Act.

Mr. WALSH of Massachusetts. The penalties are practically the same as those provided for in the national prohibition act?

Mr. HOWELL. They are practically the same; they do not exceed the penalties provided in that law and the Sheppard Act.

Mr. WALSH of Massachusetts. I should like the Senator to get for us, if he could, from the officials of the Government who drafted the pending measure a statement setting forth in just what particulars this bill enlarges the national prohibition law.

Mr. HOWELL. I should be glad to do so. The Senator from Massachusetts is now speaking of the general provisions of the national prohibition act?

Mr. WALSH of Massachusetts. Yes.

Mr. BLAINE. Mr. President, I think I might suggest to the Senator from Massachusetts that there is a determination to put this bill through to-day. If the Senator in charge of the bill will communicate with the Attorney General by telephone, he may be able to get the information desired by the Senator from Massachusetts before a vote shall be taken.

Mr. WALSH of Massachusetts. It can not be possible that this bill is going to be put through here to-day with nobody able to explain it?

Mr. BLAINE. I so understand.

Mr. WALSH of Massachusetts. Has the Senator from Wisconsin been able to find out just what detailed changes this bill proposes in the present law?

Mr. BLAINE. I understand there is a very well designed plan to put this bill through to-day. I do not like to stand in the way of the disposal of the bill to-day, and I am about ready to surrender the floor. I do not care to impose myself upon my friends who have done me the honor to stay here and listen to me while the other Senators have indulged in the euphoric sensation of lunch, and so this bill may pass very quickly. If the Senator from Massachusetts desires any information about it, he will have to get it very soon from the Attorney General.

Mr. WALSH of Massachusetts. The Senator has appreciated that I have been trying to get some information from the Senator in charge of the bill.

Mr. BLAINE. I might suggest to the Senator from Massachusetts that whenever a zealous prohibitionist has under consideration prohibition legislation the question of facts is quite immaterial as is the question of consequences. He just sees the bludgeon of the Anti-Saloon League, and, of course, there is nothing for him to do but to register his vote according to the dictates of that organization.

I want to say now, Mr. President, that the remarks I have just made do not apply to the junior Senator from Nebraska, who is in charge of this bill. The junior Senator from Nebraska has a very just cause in challenging the present administration upon this proposition, for it will be recalled that not many months ago when the junior Senator from Nebraska called attention to what he believed were gross violations of the prohibition law within the District of Columbia——

Mr. WALSH of Massachusetts. I recall that occasion.

Mr. BLAINE. And made some keen criticisms of the enforcement agencies, at once, the President of the United States challenged him to make good. So the junior Senator from Nebraska is exercising his right as a Senator in meeting that challenge. I assume, however, and the Senator from Massachusetts perhaps also assumes, that this bill will pass the Senate, and then it will rest in the archives of the House of Representatives, and will not become a law, and thus the debate will go on, the President on the one hand challenging the Members of the Senate and House and others with respect to the lack of laws, while Members of the Senate and of the House and others will challenge the President to see to it that the laws are enforced, because the agencies of enforcement are all under his supervision and direction; there can be no "passing the buck" on that proposition.

Mr. WALSH of Massachusetts. I want to commend the Senator for earnestly desiring to cooperate with the Senator from Nebraska in perfecting this bill, so that it may be made workable and may actually tend to promote the enforcement of the prohibition law in the District of Columbia. I think the Senator's position is in marked contrast with that of those Senators who are supporting any and every kind of prohibition enforcement bill that may be suggested by the Anti-Saloon League or any other organization. I am glad the Senator is anxious to have the bill passed and is cooperating to that end by proposing suitable amendments that will make the bill very much more workable than it now is.

Mr. BLAINE. Mr. President, I should like to correct one impression the Senator from Massachusetts seems to entertain. I have no desire that this bill shall be passed at all; I have no desire that any prohibition bill shall pass; my desire is to repeal the Volstead Act and to repeal the eighteenth amendment; but if such a bill as this is to be passed I want at least to save it from being a monstrosity; that is all.

Mr. WALSH of Massachusetts. That is what I assumed; that the Senator was really desirous of improving this bill so that it would be workable and would be constitutional.

Mr. BLAINE. I do not know that I would say that it is an improvement; I would say that my attempts will be to remove from the bill the monstrosities, the invalid provisions, and the unreasonable provisions the bill now contains.

I appreciate that the people of the District of Columbia have no vote; they have no representation, and I am opposed to placing the people of the District of Columbia under any different prohibition law than that under which all the other people of the United States live. The people of the District have no way to reach Congress except by petition, which, after all, is a very feeble method at best and seldom, if ever, very effective, especially in connection with prohibition, of which I am now speaking.

Mr. WALSH of Massachusetts. I, of course, understand that the Senator as a so-called "wet" is in favor of the enforcement of the national prohibition law, and that he simply is seeking to remove unreasonable methods and unreasonable provisions of enforcing that law from this and other legislation. I understand further that all "wets" are in favor of trying to the limit to enforce the law, because they believe it can not be enforced and ultimately will have to be repealed.

Mr. BLAINE. Mr. President, I believe the so-called "wets" recognize that the eighteenth amendment is a part of the Constitution and, so far as they are concerned, do not propose to violate that amendment to the Constitution; but the so-called "wets"—or the "liberals," as I call them—have a right to exercise their judgment and their good sense with respect to the manner in which the eighteenth amendment shall be enforced.

I also want to say, Mr. President, that, "wet" or "dry," we ought to recognize other portions of the Constitution besides the eighteenth amendment. The Constitution contains other provisions of far greater importance to our liberties, the stability of our Government, and the right conduct of our citizens, and every one of those provisions of the Constitution ought to be observed when we are legislating under the eighteenth amendment. That is why I have offered this amendment, which simply provides, if this bill shall be passed, for identically the same provision as is contained in the Volstead law. In the interest of uniformity and in the interest of the fourth amendment to the Constitution the amendment ought to be adopted.

I want to read the fourth amendment. I think it is well, Mr. President, to call attention once in a while, even of the Senate and Members of the other House, to the provisions of our Constitution. We are apt to forget these fundamental guarantees without which we could not have a rep-

resentative Government under which the people would enjoy the blessings of liberty and happiness. So I desire to have placed in the RECORD now—and it can not be too often repeated there—the fourth amendment:

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated.

There is no institution in the world more sacred than the home. I am not in favor of a search of the home to the extent that is provided for in the Volstead Act; but we have that act. Therefore, having that national act, we ought at least not to impinge upon the fourth amendment to the Constitution by imposing upon the people of the District of Columbia a more drastic provision than that to which the people of the 48 States are required to submit.

Mr. President, I am not going to discuss this question of prohibition. I did not intend to comment upon this question at any great length; but I was drawn out because of the interruptions and yielding and comments, and so forth, and I am making no complaint about it.

Mr. WALSH of Massachusetts and Mr. DILL addressed the Chair.

The VICE PRESIDENT. Does the Senator from Wisconsin yield; and if so, to whom?

Mr. BLAINE. I yield first to the Senator from Massachusetts. Then I will yield to the Senator from Washington.

Mr. WALSH of Massachusetts. I was just going to say that I hoped the Senator would not feel obliged to stop his argument and thereby hasten the passage of this bill.

Mr. BLAINE. I suggested just a little while ago that it was not my purpose to entertain a much larger group of those who now do me the honor to listen to me while the other Senators were enjoying their lunch.

Mr. DILL. Mr. President——

Mr. BLAINE. I yield to the Senator from Washington.

Mr. DILL. I desire to ask the Senator just how much further the provision of the bill now before the Senate goes in the authorization of searching a home than the Volstead law; and in what specific way does it go further?

Mr. BLAINE. It goes further in this respect, that if intoxicating liquor is unlawfully delivered to a home for the purpose of sale, a search warrant might issue; or if liquor is unlawfully removed from a home, no matter for what purpose, a search warrant may issue. It goes that much further than does the Volstead Act.

Mr. DILL. Is there any limitation or anything to make necessary the determination of the purpose for which the liquor is taken to the home or brought away from it?

Mr. BLAINE. None whatever.

Mr. DILL. Does the fact that somebody takes liquor to a home or brings it away in itself impose on the home owner the burden of proof to show that it was not there for an unlawful purpose?

Mr. BLAINE. There are two rules set up in the bill. One is, if liquor is delivered to the home for purposes of sale, then a search warrant may issue. The other rule is, if it is removed, no matter for what purpose, a search warrant may issue.

Mr. DILL. For what reason should the Congress place broader privileges on the searching of a home in the District than are placed in the law that applies to the entire country?

Mr. BLAINE. I can see no reason at all; and I do not believe that the Senator in charge of the bill, the junior Senator from Nebraska [Mr. HOWELL], has assigned any reason whatever for imposing this additional restriction upon the people of the District.

Mr. BROOKHART. Mr. President——

The VICE PRESIDENT. Does the Senator from Wisconsin yield to the Senator from Iowa?

Mr. BLAINE. I yield.

Mr. BROOKHART. Upon the question just asked by the Senator from Washington, I will say that the author of the bill, the Senator from Nebraska [Mr. HOWELL], made a very able and clear explanation of the reason why the law in the District of Columbia should be different than the general law. It is this:

In the District of Columbia we are legislating not only for general purposes throughout the country but for local police regulations of every kind. In the Senator's State and perhaps in my own State these matters are taken care of largely by the laws of the States and the local police laws, whereas here in the District they are not. In most of these States provisions similar to those of this identical bill are in force and have been for a long time. They have been in force for 40 years in my State.

That was the general reason, which I think is very true, as presented by the Senator from Nebraska himself.

Mr. BLAINE. The Senator means that the laws have been on the statute books for 40 years.

Mr. BROOKHART. Yes; and they have been enforced. We are pretty close to Wisconsin, but we enforce the laws anyhow.

Mr. BLAINE. Mr. President, my reflection upon that proposition is that the only occasions to which attention has been directed in that connection was not on the Wisconsin side of the Mississippi River.

Mr. DILL. Mr. President, in listening to the argument of the Senator from Iowa I can not help being impressed with the thought that that is a change from the Volstead law made by the people of the State of Iowa. In this case, the people of the District must depend upon Congress.

Mr. BROOKHART. That is true.

Mr. DILL. I have not yet learned of any reason why Congress should set up a different rule for the people who have no right to pass upon a question than it sets up for those who do have the right to pass upon a question. I do not understand why it is fair to the people of the District that their homes shall be open to search and seizure for more liberal legal causes than the homes of people who live in States where they do not desire more strict State law.

Mr. BROOKHART. The Senator's argument would be forceful if it were not true that the Constitution put all of those duties upon the Congress of the United States. If the Constitution were amended, or if the District had the rights of a State, then the argument would apply; but the District does not have those rights, and therefore the Congress must do the best it can in its feeble and ineffective way.

Mr. WALSH of Massachusetts. Mr. President——

Mr. BLAINE. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. I should like to state to the Senator from Washington, first, that this bill provides that the judges of the police courts may issue search warrants hereafter. At the present time only United States commissioners can issue search warrants.

Mr. President, I think the powerful and able argument being made by the Senator from Wisconsin should be listened to by a larger number of Senators; and I therefore announce the absence of a quorum.

The VICE PRESIDENT. Does the Senator from Wisconsin yield for that purpose?

Mr. BLAINE. I yield.

The VICE PRESIDENT. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Deneen	Kean	Reed
Bulkley	Dill	Kendrick	Robinson, Ark.
Bingham	Fess	Keyes	Sheppard
Black	Fletcher	King	Shortridge
Blaine	Frazier	La Follette	Smith
Blease	George	McGill	Smoot
Borah	Gillett	McKellar	Steiwer
Bratton	Glass	McMaster	Stephens
Brock	Goff	McNary	Swanson
Brookhart	Goldsborough	Metcalf	Thomas, Idaho
Broussard	Gould	Morrison	Thomas, Okla.
Bulkley	Hale	Morrow	Trammell
Capper	Harris	Moses	Vandenberg
Caraway	Harrison	Norbeck	Walcott
Carey	Hastings	Norris	Walsh, Mass.
Connally	Hatfield	Nye	Walsh, Mont.
Copeland	Hayden	Oddie	Waterman
Couzens	Heflin	Partridge	Watson
Cutting	Howell	Pine	Wheeler
Dale	Johnson	Pittman	Williamson
Davis	Jones	Ransdell	

The VICE PRESIDENT. Eighty-three Senators having answered to their names, there is a quorum present.

Mr. BLAINE. Mr. President, before the quorum call I was reading the fourth amendment to the Constitution, and did not complete reading it. I now read the whole provision:

> The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated, and no warrants shall issue, but upon probable cause, supported by oath or affirmation, and particularly describing the place to be searched, and the persons or things to be seized.

Mr. President, with respect to a portion of the committee amendment, there is no doubt but that that portion is invalid. If liquor is removed from a house, a home, lawfully or unlawfully, there is nothing to search for, there is nothing to seize. I do not intend to discuss the probable invalidity of this provision at any length whatever, but I call attention to that specific proposition, which ought to stand out very plainly in the mind of everyone. I have no desire to discuss the general question of prohibition. I did not intend to discuss it when I rose as much as I have, and I am perfectly willing that a vote shall be taken upon my amendment.

Mr. BROOKHART. Mr. President, will the Senator yield?

Mr. BLAINE. I yield the floor to the Senator from Iowa.

Mr. BROOKHART. I want to ask the Senator a question. He says if liquor is removed from a house there is nothing to search for. That would be true if it were all removed, but it might not all be removed. So there might be just as good ground for search after the removal as before.

Mr. BLAINE. Of course, Mr. President, the cork might be left in the house.

Mr. VANDENBERG. Mr. President, will the Senator yield before he takes his seat?

Mr. BLAINE. I yield.

Mr. VANDENBERG. Has the Senator made it plain that the amendment which he submits is recommended by the Attorney General of the United States and the Department of Justice, in view of their feeling of their own necessities in respect to enforcement?

Mr. BLAINE. I think it has been made plain that my amendment meets the criticism of the Attorney General, and also leaves the provision in this bill identically the same as a similar provision in the national prohibition act.

Mr. BROOKHART. Mr. President, the principal objection which seems to be made to this provision is that it encourages spies and spying, and the principal argument for the amendment is a tirade against spies.

There are two kinds of spies. The dishonest, crooked spy, who goes out to "frame up" somebody, has my condemnation quite as vigorous as that of the Senator from Wisconsin for all spies. In fact, I would soon exhaust all the adjectives he might use in condemnation of that sort of a spy. But the detective or "spy" who is honest, and who goes out to serve the law and to honestly detect criminals and violators of the law, is entitled to every honor and every support.

This wild and miscellaneous criticism of spies is without any real sense. It is just a tirade; just a talk. Some of the most honorable men I have ever known have been spies, and spies in the detection of violators of liquor laws. I am going to pronounce the name of one of them, Robert McConaghy, who assisted me when I was prosecuting attorney of my county, beginning in 1895, and who continued to assist me for six years during the three terms I was prosecuting attorney. He was as honorable a man as I have ever known. There is not one on the floor of the Senate superior to him in honor and integrity.

Mr. President, that kind of a spy was able to enforce the law, not only in his own county but in many adjoining counties, and in spite of being called by the offensive name of "Bob the Smeller," Robert McConaghy had the respect of everybody, except the criminals, in those counties.

The Senator from Wisconsin tells us that spies are so offensive that they are even shot in war time. That is true. But in answer to that argument I want to say that Edith Cavell was a spy, shot for her spying. Yet the name of Edith Cavell will live and be honored in the history of the world when the general who shot her shall have been forgotten, and even when most of the great generals who fought that Great War shall have been forgotten.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. BROOKHART. I yield.

Mr. COPELAND. I join in all the fine things the Senator has said about Edith Cavell. As a matter of fact, however, was not the defense made, presented strongly and urged upon the Germans at that time, to the effect that she was not a spy and had not been engaged in that sort of enterprise?

Mr. BROOKHART. As I understand, Edith Cavell honorably and bravely admitted she was reporting to the English, bravely faced the whole truth, and those reports, under the rules of this thing we call war, constituted spying. We, ourselves, executed Major André for a similar transaction in the Revolutionary War.

Mr. COPELAND. I do wish to add one word. I think the Senator is entirely mistaken regarding Edith Cavell. If my memory serves me, Brand Whitlock and others who made representations in her behalf to save her from death, strongly urged that she was not spying and that the charges raised against her were false.

Mr. BROOKHART. Brand Whitlock made very fine representations for clemency, and all that, and I approve every one of them. Nevertheless, when we come down to the question of spying, the telephone messages Edith Cavell sent were, perhaps, a violation of the so-called spying rule in war. I am not charging that the Germans entirely disregarded the rules of war in that matter. I do not think they should have executed Edith Cavell, nor does anybody else think so.

Mr. COPELAND. Mr. President, under the rules of international warfare it is unquestionably the right of belligerents to deal with spies as they are dealt with. I think General Washington, perhaps, never in his life did a more disagreeable thing than to agree to the verdict in the case of Major André. The hearts of that group of generals who sat at Tappan, in the county where I live, were greatly touched by the circumstances surrounding the necessity of passing the verdict of death upon Major André, who, by the way, was hanged, I think, instead of being shot.

I am sure the Senator will agree to this, that if Edith Cavell was actually a spy, and was taking improper advantage of her office as a nurse—and there can be no more honorable occupation in the world, particularly in time of war, than that of a nurse—if Edith Cavell was actually engaged in spying, and reporting to her government what she learned of military value, we would have to admit, I think, in view of international custom and practice, that she might have expected the fate she received.

I, myself, resent this reflection upon Edith Cavell. I have stood before her monument in London and before another in Paris. I have never failed to express my great regard for that noble woman. But I should hate to have it charged now that we were mistaken in our demands upon our ambassador over there to resist in every possible way the infliction of that ignoble death.

My friends, I do not believe that Edith Cavell was a spy; and, if she was not, under international usage she was not entitled to the death she received. I am sure, I will say to my friend from Iowa, that he is mistaken. I think she resisted to the last the imputation and the charge that she was spying upon the enemy. She was there for the noble purpose of saving lives through the activities of her profession and was not there as a spy for the British Army.

Mr. BROOKHART. Mr. President, the Senator has raised a bigger question and a bigger proposition. He has assumed that the rules of war are right. He has assumed that it is a dishonorable thing for a person to violate the rules in reference to spying for the benefit of his own country. I do not concede that assumption. I think if Edith Cavell risked her life as a spy to serve her country it adds to the honor of her name and her glory. The Senator from New York, when he voted for the treaty to outlaw war, voted

that same way. He voted to outlaw every one of the cruel rules under which Edith Cavell was executed.

Mr. President, an honest spy in an honest cause is to be honored for the extra courage and the risk he must take.

Mr. COPELAND. The "honest spy," yes; but I utterly disagree with the Senator from Iowa in the general implication of his remarks. I would not be true to my manhood if I did not express my disagreement at this moment.

Mr. WHEELER. Mr. President, as I said a moment ago, I object to section 10 entirely as it is now worded. I shall offer an amendment after the present amendment has been disposed of, proposing to strike out the words "police court" and to have included in lieu thereof the words "district court." I think every man who has been a prosecuting attorney and who knows something of the tendencies of police officers and detectives to get evidence and to get convictions regardless of how they get them, would have to disagree with much that has been said by the Senator from Iowa [Mr. BROOKHART] with reference to spies.

I want to call attention to a statement made in the Wickersham report. On page 55, under Psychological Difficulties, appears the following:

> Moreover, searches of homes, especially under State laws, have necessarily seemed to bear more upon people of moderate means than upon those of wealth or influence. Resentment at crude methods of enforcement, unavoidable with the class of persons employed in the past and still often employed in State enforcement, disgust with informers, snoopers, and under-cover men unavoidably made use of if a universal total abstinence is to be brought about by law, and irritation at the inequalities of penalties, even in adjoining districts in the same locality and as between State and Federal tribunals—something to be expected with respect to a law as to which opinions differ so widely—add to the burden under which enforcement must be conducted.

Mr. BROOKHART. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Iowa?

Mr. WHEELER. I yield.

Mr. BROOKHART. I will ask the Senator if he has adopted that report as his idea of the prohibition problem?

Mr. WHEELER. I do not know how I could adopt the report because there are so many conflicting opinions——

Mr. BROOKHART. Then the Senator has not adopted——

Mr. WHEELER. Let me complete my answer. But this is a portion of it which I adopt and with which I entirely agree. I will say to the Senator that I understand that even his friend Judge Kenyon approved of this particular portion of the report. He is a dry and an eminent jurist who is on the Federal bench and who knows something of the conditions which exist with reference to the particular phase which I am now discussing.

Mr. BROOKHART. The Senator has not adopted that report as his idea, and neither have I.

Mr. WHEELER. No; but I am calling attention to the fact that these men have made a study of the question and as to this portion of it they all concurred, as I understand. I am in hearty accord with this statement made by them.

Mr. BROOKHART. If they refer to dishonest, crooked, framing snoopers like the snoopers who went out to break the Senator from Montana, then I am ready to join in the condemnation as strongly as any man; but the man who has gone out honestly to enforce the law is entitled to be supported.

Mr. WHEELER. I agree with the Senator, if he can find any in the Prohibition Service who have done that. [Laughter.] But unfortunately——

Mr. BROOKHART. If the Senator will read the rest of that part of the report which he just started to read, he will find that there are plenty of honest men in the Prohibition Service.

Mr. WHEELER. If there are, I have not been able to find many of them, and when I was prosecuting attorney I found very few of them.

Mr. BROOKHART. But Judge Kenyon found some of them.

Mr. WHEELER. He probably knows more about them to-day than I do, and I am willing to admit his views.

Mr. BROOKHART. He named some of them.

Mr. WHEELER. I am glad that he was able to find a few that he could name out of the many whose names would have filled the pages of the report if he had taken into consideration how many there are. There is no question in the mind of anyone that the Prohibition Bureau has been filled with crooked snoopers and detectives. That is one of the reasons why people have become disgusted with the prohibition law. So far as I am concerned, if the prohibition law could be enforced to-day I would be for prohibition enforcement, but I am convinced after the long time we have had it upon the statute books that it has brought about disrespect for the law, that it is not going to be enforced, and that it can not be enforced because of the fact that public opinion generally throughout the country is against it.

I also want to invite attention to another statement on page 57 of the Wickersham report, wherein it is said:

> High-handed methods, unreasonable searches and seizures, lawless interference with personal and property rights have had a bad effect on the work of prosecution at a time when the general condition of American administration of justice was imperatively demanding improvement.

Again they point out this fact:

> The gross inequalities of sentence made possible by the increased penalties act, 1929, has added to the difficulties of the administration of criminal justice.

I stood on the floor of the Senate when that bill was before the Senate and protested and advised the friends of prohibition that when they passed the Jones 5-and-10 act they were not helping prohibition, but that, as a matter of fact, it would prove to be a detriment, and was going to do more to bring the law into disfavor and to make it impossible to secure convictions than anything else that could possibly have been done at that time. I based my opinion upon my own experience as a prosecuting attorney and also as a general practitioner.

To-day we find the commission appointed by President Hoover taking that identical view, and we even find the Congress willing to amend some of its provisions. There is another place in its report where the commission call attention to the same identical situation.

Let me point out the fact, too, that it is first provided that there can be search and seizure by a police court; that is, somebody can go and swear that he saw certain things, and the police court can issue a search warrant and the home of any individual in this city can be searched. Let me call attention to the fact that if we had in the Department of Justice a Daugherty at the present time, and if we had this kind of a law on the statute books, and if we had a Burns as head of the detective bureau in the Department of Justice, there would not be a Senator or any other man in the city of Washington who would be safe in his home. They would come in there under the pretext of searching for liquor upon anyone's affidavit and search a Senator's home or anyone else's home, and perhaps take anything they happened to find in the home, regardless of whether it pertained to the prohibition act or not.

Mr. President, this morning I asked the Senator from Connecticut [Mr. BINGHAM] when he offered his amendment whether or not the amendment was sanctioned by or had the approval of the President of the United States. I did it for the reason that my attention has been called to several articles in the press recently stating that after the President sent his message to Congress, stating in substance that he was in favor of the prohibition law as it now stands and was against the recommendations of the commission, that some amendment should be made to the prohibition law, that thereafter he seemed to have changed his mind and statements were given out by different members of the Senate to the effect that his mind was still open.

Mr. BROOKHART. Mr. President——

The VICE PRESIDENT. Does the Senator from Montana yield to the Senator from Iowa?

Mr. WHEELER. I yield.

Mr. BROOKHART. I think the Senator is entirely mistaken about that proposition. I am a modificationist my-

self, the strongest kind of a modificationist, but I want to modify the law to make it stronger and better to enforce.

Mr. WHEELER. Does the Senator think the President is of the same opinion?

Mr. BROOKHART. Everything he has said indicates that he wants better enforcement. His message is plain and to the point on that feature. This is one time I am going to sustain the President of the United States.

Mr. WHEELER. I am glad to see the Senator cooperating with the President, as he ordinarily does. [Laughter.]

Mr. President, I want to call the Senator's attention to an article appearing in to-day's News. I send it to the clerk's desk and ask that the clerk read it.

The VICE PRESIDENT. Is there objection to the request of the Senator from Montana? The Chair hears none, and the clerk will read, as requested.

The Chief Clerk read as follows:

[From the Washington News, Saturday, January 24, 1931]

ANONYMOUS ORACLES AT THE WHITE HOUSE EVOKE CRITICISM—"INSPIRED" INFORMATION IS BEING GIVEN CORRESPONDENTS WITH PLEDGE TO CONCEAL SOURCE—INSTANCES ARE CITED—PROCEDURE RECALLS THAT OF HOOVER'S FRIENDS DURING HIS CANDIDACY THREE YEARS AGO

By Ray Tucker

In handling the problem left on the White House doorstep by the Wickersham report, President Hoover has raised the question of how far an administration may go in seeking to influence public opinion by "inspired" information distributed anonymously.

In two instances that have caused considerable comment here the President himself and Walter F. Newton, his political secretary, have called in correspondents to explain that Hoover's letter transmitting the Wickersham report to Congress was not intended to represent the Chief Executive as a bone-dry or to ban all proposals to revise the dry laws. He simply meant, they explained, to oppose the particular form of revision suggested by the commission.

REAL SOURCE HIDDEN

In neither instance, however, were the correspondents called into conference permitted to attribute their subsequent expressions to Hoover or Newton. The clarifying ideas had to be published without making known or placing responsibility on their real source, and in the resulting articles they were credited to "close friends of the President" or "those in a position to know."

These conferences came after Hoover's letter had been generally accepted as meaning that he and the Republican Party would be dry in 1932. Moreover, they came after numerous Republican politicians and newspapers had condemned this stand and predicted it would jeopardize party success two years hence.

"EXPLAINING" TO HERALD TRIBUNE

The New York Herald Tribune, an influential Republican newspaper, had been especially forceful in its criticism of the President. It said, editorially:

"The fairness, clarity, and general excellence of the report make all the more regrettable Mr. Hoover's hasty and inexact comment upon it. He completely misreads the import of the document and refuses to wait to digest the appalling evidence it presents or to reflect upon the recommendations it bases thereon. It seems to be an unfortunate example to set before the Nation."

On the day that this appeared Hoover sent for Theodore C. Wallen, head of the Herald Tribune's Washington bureau. What transpired between them is not known, but on the following day Wallen was one of the first to publish what is now said to be the President's real attitude.

TRIBUNE STORY RECALLED

His Washington dispatch to the Tribune, dated January 21, contained the following significant paragraph:

"Those in a position to know his (Hoover's) views emphasized, however, that the President had not closed the door on the principle of 'revising' the eighteenth amendment or of modifying the statute. They pointed out that the President had gone no further in this respect than to turn thumbs down on the specific plan of revision suggested by the commission as a form that ought to be followed if enforcement under the existing statutes continues unsuccessfully."

This same view was subsequently advanced publicly by Senator FESS, Republican national chairman; Patrick J. Hurley, Secretary of War, and Senator SMOOT, although none professed to be giving anything more than their own interpretation of the President's letter.

CITE HIS "OPEN-MINDEDNESS"

Hoover's "open-mindedness" was also elaborated on by Newton in conferences with representatives of other newspapers. Besides telling individual correspondents that the first interpretation of the President's letter was a mistaken one, Newton called in correspondents regularly attached to the White House. As it was late in the day, he was able to give the new interpretation to only two. But word of Newton's explanation got around, and many newspapers carried the Hoover-Newton version. The New York Times attributed it to a "close friend" and to "those close to the administration."

These incidents recall that the same tactics were resorted to by Hoover's friends when he was a candidate in 1928. After his strong praise of prohibition in his acceptance speech at Palo Alto, William J. Donovan, Hoover's legal and political adviser on prohibition questions, took the correspondents of two wet Republican newspapers to the Hoover collection at Stanford University Library.

There Donovan pointed out a letter to Senator SHEPPARD, of Texas, author of the eighteenth amendment, in which Hoover, then Food Administrator, had opposed a move to prohibit beer on the ground that, whereas it is "difficult to get intoxicated on beer," such a step would promote more general consumption of hard and intoxicating liquors.

Since then, as in the present instance, Hoover's prohibition indorsements have been contained in formal speeches and writings, whereas his supposed liberal and open-minded views have always been relayed by "close friends" or "those in a position to know."

Mr. COPELAND, Mr. WALSH of Massachusetts, and Mr. MCKELLAR addressed the Chair.

Mr. WHEELER. Mr. President, I thought I still had the floor.

The PRESIDING OFFICER (Mr. FESS in the chair). The Senator from Montana has the floor. To whom does he yield?

Mr. WHEELER. I yield first to the Senator from New York.

Mr. COPELAND. I observed that the Senator from Montana asked the Senator from Iowa if he understood the President was in favor of the bill presented by the Senator from Connecticut relating to beer. I notice in the newspaper article just read that reference is made to the statement made by Mr. Hoover when he was Food Administrator. Is it not the recollection of the Senator that Mr. Hoover went even farther than that and made a very strong argument to the effect that beer is not intoxicating and that there is no reason why there should be a prohibition of the manufacture and sale of that article?

Mr. WHEELER. That was my recollection of his statement, and that was why I asked the Senator from Connecticut this morning if the amendment which he had offered to this bill met with the approval of the President of the United States.

Mr. COPELAND. Will the Senator yield further?

Mr. WHEELER. I yield.

Mr. COPELAND. Is it not reasonable to believe that it must meet with his approval, because his scientific conviction, apparently, from his statement as Food Administrator, is that beer is a harmless product, and therefore he certainly can not be in opposition to the amendment proposed by the Senator from Connecticut?

Mr. WHEELER. Not knowing what his scientific convictions are since he became President of the United States, I can not say.

Mr. MCKELLAR. Mr. President, will the Senator yield?

Mr. WHEELER. I yield.

Mr. MCKELLAR. In order that there may be no misunderstanding about the matter at all, I should like to read at this point exactly what the President said:

> The commission, by a large majority, does not favor the repeal of the eighteenth amendment as a method of cure for the inherent abuses of the liquor traffic. I am in accord with this view.

How in the world anyone can misconstrue that language is a mystery to me.

Mr. WHEELER. Let me call the Senator's attention then to the article which I am about to read. The article was written by Elliott Thurston and appeared in the New York World of Friday, January 23. In that article Mr. Thurston says:

> A series of significant developments preceded the circulation of reports that Mr. Hoover is liberal and open-minded on prohibition. Late yesterday afternoon three Cabinet members, Postmaster General Walter Brown, Secretary of War Hurley, and Secretary of the Interior Wilbur, were summoned to the White House.
>
> Following a private talk with Mr. Hoover, the Cabinet advisers left and Mr. Hoover's political secretary, Walter Newton—

I should like to have the attention of the Senator from Iowa to this statement, because I want to see whether or

not he is still going to follow the President's views as they have been given by his political secretary, Mr. Newton. I continue reading from the article by Mr. Thurston—

Following a private talk with Mr. Hoover, the Cabinet advisers left and Mr. Hoover's political secretary, Walter Newton, informed a selected few newspaper men that Mr. Hoover was being misrepresented in the press and in comments of public men, that instead of being against revision of the existing dry order, his message to Congress specified only that he opposed the kind of revision which his commission, after its 18 months of investigation and study, had recommended as the best one, if any change is to be made.

STATEMENT BY HURLEY

Later Secretary Hurley informed several Republican leaders that there had been a misunderstanding of Mr. Hoover's message, and one story was circulated to the effect that owing to a slip or oversight at the White House the word "particular" had been inadvertently left out of the text of Mr. Hoover's message. It was said that the word "particular" had been used by Mr. Hoover to emphasize that he was against the "particular" revision advocated by the commission, but by implication, might not be against some other form of revision.

Immediately after the President's message had been given to the country, telegrams began to pour into the White House. Those from dry leaders commended him for championing the eighteenth amendment and the Volstead Act against the modificationists, but a veritable deluge of messages came from the East and other wet regions of the country reflecting the consternation of wet Republicans over Mr. Hoover's supposed bone-dryness.

New York Republicans lost no time in rushing down here to see Mr. Hoover. Several, headed by W. Kinksland Macy, the new State leader, and Meyer Steinbrink, saw the President to-day and registered their alarm lest his dryness in 1932 cost him New York, to say nothing of the other big wet Eastern States. They were also alarmed because, committed against the dry order, they were left, as they supposed, wholly at variance with the President on the dominant issue in the East.

So I call the attention of the Senator to the fact that the present Secretary of War and Mr. Hoover's political secretary have given out statements, calling in the newspaper men secretly and passing them out secretly, to the effect that as a matter of fact the President is not in accord with the Senator from Iowa, or at least with what the Senator from Iowa thinks the President thinks.

Mr. BROOKHART. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Iowa?

Mr. WHEELER. I yield.

Mr. BROOKHART. The newspapers can frame up almost any kind of a deal, especially if they are "wet" newspapers. They always have done so on me. All I can read in that article is that the President is in favor of any revision that will make for better enforcement, and I myself am in favor of that. I think we might revise the prohibition laws so as to make them stronger in several particulars—as strong even as the laws of the prohibition States—in order to secure the best enforcement of prohibition. I am with the President on that proposition.

Mr. WHEELER. The Senator does not mean to imply, I am sure, that when that statement was made Elliott Thurston, whom he knows, and Ray Tucker, whom he knows, framed up stories on the President of the United States.

Mr. BROOKHART. No; it is the construction that is put on it that is the frame-up. So far as I can see, there is nothing in the statement which modifies the President's message here to the Senate.

Mr. WHEELER. The Senator knows perfectly well that there are no more reputable newspaper men in the Capital than the two whom I have mentioned, and I am sure he knows that they would not under any circumstances report something which was not entirely reliable. Now, Mr. President, I send to the desk——

Mr. BROOKHART. There is nothing in the language of the President which the Senator quoted that shows any modification of the President's message to the Congress.

Mr. WHEELER. I am sure the Senator did not hear what I read or otherwise he would not have come to that conclusion.

Mr. BROOKHART. I heard both the comments and what was quoted.

Mr. WHEELER. I am afraid the Senator's hearing is a little defective if he did not understand at least that the inference was given by the President's political secretary that the President wanted to revise the prohibition law, but did not want to revise it in the manner set forth by the commission, and the President's Secretary gave the newspaper men the impression without question of doubt that the President was "moist," to say the least.

Mr. BROOKHART. That last modification is the source of the whole trouble. The newspaper boys did not say that, and that is not a part of the quotation. That "moist" stuff is where we are getting into all this trouble.

Mr. WHEELER. Of course, I realize that the Senator from Iowa wants to think that the President of the United States is as dry as he is, just as he wanted to think that the President of the United States during the last campaign was just as progressive as he was; but I am sure that he will find he will be just as much disappointed in the President's dryness as he was in the President's progressiveness.

Mr. BROOKHART. When that time comes I will speak out just as plainly as I did in the other case, but not until it does come; and I will not anticipate anything in this matter.

Mr. WHEELER. I just did not want to see the Senator go astray again as he went astray when he talked about the President's progressiveness and what he was going to do for the farmer.

Mr. BROOKHART. I have always taken a great pride in going astray.

Mr. TRAMMELL. Mr. President——

The PRESIDING OFFICER. Does the Senator from Montana yield to the Senator from Florida?

Mr. WHEELER. I yield.

Mr. TRAMMELL. Mr. President, will the Senator yield for a question?

Mr. WHEELER. I yield to the Senator from Florida.

Mr. TRAMMELL. The Senator from Montana says that the Senator from Iowa wishes to make the President as dry as he is. I am just wondering if the Senator from Montana wants to make the President as wet as he is.

Mr. WHEELER. No; I am not trying to make him as wet as I am; but I think his views upon this situation are more nearly like my own than they are like the views of the Senator from Iowa.

I also desire to send to the desk and have read an editorial from the New York World of Friday, January 23.

The PRESIDING OFFICER. Without objection, the editorial will be read.

The Chief Clerk read as follows:

THE SMOTHERING OF THE REPORT

By a coincidence so ingenious that it might almost have been planned in advance the Wickersham report was published in such a way as to misrepresent it. The coincidence, as we shall continue politely to call it, depended upon the mechanics of news distribution in the United States. On Monday about noon the papers of the country received by telegraph the official "summary" of the report. This "summary" was so arranged as to blazon forth three half truths, namely, that the commission is opposed to repeal, to the governmental sale of liquor, and to modification for light wines and beers.

The full text of the report did not become available even to editors living as close to Washington as New York City until early on Tuesday. It took some time to read and understand a complicated document 80,000 words long and to discover that the actual report showed that the official "summary" was untruthful. The effect, however, of giving the untruth, explicitly stated, about a day's head start over the truth, considerably concealed, was to establish a first and wholly false impression among the readers of newspapers of small circulation in small towns. The larger newspapers in metropolitan centers which had access to the whole report were allowed to find out by their own researches how overwhelmingly opposed to constitutional prohibition the report really is. It is now a question as to how fast the truthful second impression can catch up with and correct the untruthful first impression.

By another coincidence the fictitious dryness of the "summary" was emphasized further by the President's message of transmittal. Had the thing been planned that way, the President could not have done more to smother the prompt realization by the rural and small-town newspaper readers that his commission had condemned prohibition. Thus we have two coinciding coincidences, a false summary and a false presidential message, both timed by coincidence, to hide what the report contains. If the country had not repeatedly been assured that this administration is devoted to the principle of fact finding these coincidences would have to be described as a manipulation of public opinion for purposes of propaganda.

The blazing anger which these coincidences have produced in Republican newspapers like the Herald Tribune and the Evening Post, of this city, is now apparently to be tamped down by the method of indirect interpretation by unofficial spokesmen. The Times yesterday reported "a close friend" of Mr. Hoover's as saying that politicians and editors had widely misinterpreted the President's position, that he had not closed his mind to revision of the eighteenth amendment but was merely opposed to the "form" of revision advocated by the commission. In the Herald-Tribune another close friend, Mr. Mark Sullivan, had another interpretation of the President's views, one of the strangest we have ever read from a responsible source. The President, it seems, "can not well be in the position of enforcing an existing law with, so to speak, one hand, while with the other hand he gives public consideration to a change in the law."

These words were actually written by Mr. Sullivan and their purpose is plain. The President's closest journalistic spokesman would like the wet Republicans to think that Mr. Hoover is not irrevocably dry. Mr. Sullivan is needlessly sacrificing his high reputation for good sense. The doctrine that a President can't enforce a law and recommend its revision is so silly that beyond pointing out that Mr. Hoover has already recommended changes in many laws which he is sworn to enforce we draw the curtain charitably on the incident. We can not avoid remarking, however, that Mr. Hoover can not take the absolutely dry position in his official messages and ask the wets to trust his close friends when they say that he is not really so dry after all.

This was effective campaign strategy in 1928. It probably will not work again. Mr. Hoover can not any longer shout for the drys and whisper for the wets.

Mr. WHEELER. Mr. President, I suppose that if the Senator from Iowa [Mr. BROOKHART] were present, he would probably say likewise that Mr. Mark Sullivan had misrepresented the President, notwithstanding the fact that Mr. Sullivan is recognized throughout the country as being probably the closest man to the President among the newspaper men in Washington.

I want my position clearly understood with reference to the enforcement of this law. I am perfectly willing to vote for any amount of money that the administration thinks it should have in order to enforce the law; but I am unwilling to pass a law which will give some of these fanatics the right to invade the privacy of a man's home under the guise, if you please, of enforcing the prohibition law in the District of Columbia.

I have heard much since I have been in the Senate of the United States about the debauchery and the crookedness and the corruption and the crime in the city of Washington. So far as I am concerned, I must confess that I have never seen in Washington the criminal element about which I have heard from some Members on the floor of the Senate. I am honestly of the opinion that Washington is one of the cleanest cities in the United States to-day. I think the prohibition laws are enforced in this city probably better than they are in almost any other city in the United States. I may be wrong about it, but that is my opinion.

I will venture to say that you can go into any of the large cities in the State of Iowa and buy more liquor in Des Moines or Clinton or any of the other cities in that State than you can buy in the city of Washington. Not only is that true in Iowa, but it is true in Massachusetts, it is true in New York, it is true in Montana, it is true in California, and it is true in every other State in the Union, regardless of whether or not they have laws of this kind upon the statute books.

As far as my experience has gone since I have been in Washington, I submit that it is one of the most orderly cities in the United States; and I do not think we ought to impose upon the people of Washington to give a policeman the authority to go in and search the home of a citizen of Washington. I do not believe we ought to give a police judge down here the right to issue a search warrant to enter a man's home just upon suspicion that he may take a bottle of liquor from his home. I do not think that is the spirit in which the amendment to the Constitution was adopted; and I feel that if the people of the United States had thought that was going to happen, the amendment would not have been ratified.

Mr. WALSH of Massachusetts. Mr. President, before we adjourn this afternoon I should like to call attention to what I think is the most important change made in the present prohibition law by the proposed act, and that is the provision that relates to drinking in public. I respectfully request Senators when they attend church to-morrow to reflect upon what they are subjecting themselves to and also the people of the District of Columbia and visitors to the District of Columbia by certain provisions of the pending bill.

The present national prohibition law does not make it an offense to take a drink in a public place. Section 3 of this bill makes it an offense to take a drink in public. After 10 years of "the noble experiment" and with the public talking more than ever about revision, we now propose to send to jail for 30 days any boy or girl, man or woman, Senator or Representative, who takes a drink of wine at a wedding feast in a hotel or an apartment house, or who takes a drink at a football game, or who takes a drink in any other public place. It seems to me that this is not the time to begin to inflict upon the people of the District of Columbia this particular provision of law to make it a crime, subject to a penalty of $100 and 30 days in jail, to take one drink, one glass of beer, one glass of wine, one glass of any kind of intoxicating liquor; indeed, merely to take a sip of intoxicating liquor in public.

Mr. President, there will not be jails enough in the whole world to take care of the violators of the law if it is enforced in case we retain section 3 in this bill. It is inconceivable that Senators would seriously undertake to go so far as to inflict jail penalties for the mere taking of a drink in a public place. In view of the fact that the national prohibition law does not make it an offense, it seems to me inconceivable that we should now go so far as to make it an offense punishable by 30 days in jail and a $100 fine to take a drink in any place other than a private home.

I understand that a vote will not be taken to-day upon this bill; but I submit to the serious, earnest consideration of the Members of this body, especially when they are at divine service to-morrow and when examining their consciences, that they reflect very seriously upon voting here for a measure that will subject many of their colleagues and many of the people of the District to 30 days in jail for taking an innocent and harmless drink of intoxicating liquor, perhaps as a medicine to protect their health or perhaps when participating in some social festival.

I do want to leave these thoughts in the minds and hearts and souls—if all Senators have these faculties—of Members of this body between now and Monday, and find out how many Senators after praying to their God to direct them to make reasonable laws for the governing of their fellow men still insist upon voting for a law that provides that whoever takes a drink in public shall be subjected to 30 days in jail.

I want particularly to call the attention of the Senator from Iowa [Mr. BROOKHART] to the fact that the famous banquet which he attended not long ago, if this provision of the bill had been then the law, would have subjected all the distinguished guests to whom he referred as present and drinking on that occasion to a penalty of 30 days in jail. Why not make all our fellow citizens spies and impose a jail sentence on those who do not report whoever takes a drink in a public place? I submit these observations for Senators' serious reflection.

Mr. HOWELL. Mr. President, the Senator from Massachusetts seems to feel that he has discovered a mare's nest in this bill. He refers to section 3 of the measure. This is a section from the Sheppard Act, claimed by some to be the law of the District of Columbia to-day. It unquestionably was the law in the District of Columbia for three years. Similar provisions are found in connection with the maintenance of public order in almost every city in the Union. This section is almost identical with section 11 of the Sheppard Act.

Mr. WALSH of Massachusetts. Mr. President——

Mr. HOWELL. Of course, I realize that there is scarcely any measure which can be suggested against which some theoretical objection can not be made, but this section is a section which certainly ought to be a part of the police regulations of the District of Columbia. Do Senators think we ought to allow people to stop on the street and drink wherever they see fit? Do they think depots should be places

where individuals can congregate and enliven themselves with liquor? At least they ought to do it by stealth, under present conditions, in view of the Constitution and the laws enacted by Congress.

I suggest that while Senators are thinking of the suggestion made by the Senator from Massachusetts, they also keep in mind what is prevalent in this country to-day, and that this is merely the reenactment of a section from a similar law which many claim to be in effect to-day and which is the counterpart of the law in effect in nearly every city in this country.

Mr. WALSH of Massachusetts. Mr. President, will not the Senator agree with me that this provision is not in the national prohibition law?

Mr. HOWELL. It is not in the national prohibition law, because this is a police regulation. The national prohibition law was to supplement police regulations.

Mr. WALSH of Massachusetts. One further question: It is true that this provision is in the so-called Sheppard Act, which attorneys in this district claim has been repealed by the national prohibition act—that is true, too, is it not?

Mr. HOWELL. It is a fact that the Sheppard Act is now published as a part of the present law.

Mr. WALSH of Massachusetts. The Senator is proposing this bill because there is a legal question as to whether the Sheppard Act is operative or not?

Mr. HOWELL. This bill provides for the repeal of the Sheppard Act.

Mr. WALSH of Massachusetts. And this provision has not been in force heretofore.

Mr. HOWELL. This provision has been in effect, and hence the objection made is merely a theoretical objection.

PROPOSED CHANGE IN THE CLAYTON ACT

Mr. NYE. Mr. President, I desire to address myself to certain proposed changes in the Clayton Act, changes which I am sure will grant a given amount of relief from most oppressive conditions which are being confronted to-day by large numbers of independent business men throughout the country. If I thought that I was delaying a vote upon the pending question, I should not take the time I am taking now. I understand there is not a hope of reaching a vote to-day.

On the 5th day of January of this year I introduced Senate bill 5513, proposing certain amendments to the Clayton Act. Those amendments would, I believe, lend strength to both the letter and the spirit of the law, and accomplish ends which the Congress had in mind when it gave its approval to the original act. I ask that the bill be incorporated in the RECORD at this point.

The PRESIDING OFFICER. Is there objection?

There being no objection, the bill was ordered to be printed in the RECORD, and it is as follows:

S. 5513

A bill to amend section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended

Be it enacted, etc., That section 2 of the act entitled "An act to supplement existing laws against unlawful restraints and monopolies, and for other purposes," approved October 15, 1914, as amended, is amended by adding before the paragraph "(a)" and by adding after the paragraph the following:

"(b) The Federal Trade Commission is hereby empowered and directed to receive complaints and hear testimony as to any alleged unfair trade practices, to wit:

"(1) Where any dealer or other person engaged in the production, manufacture, or the purchase or repurchase of goods, wares, or other commodity, sells, offers, or advertises to sell any article or articles of merchandise the quality, weight, or the food content of which is shown to be below the standard as prescribed by the act entitled "An act for preventing the manufacture, sale, or transportation of adulterated or misbranded or poisonous or deleterious foods, drugs, medicines, and liquors, and for regulating traffic therein, and for other purposes," approved June 30, 1906, as amended.

"(2) Or where any producer, manufacturer, dealer, or other person engaged in the purchase, sale, or resale of goods, wares, or other commodity, sells, offers, or advertises to sell any such article or articles of merchandise or commodity below cost price, or without profit, as a trade incentive or inducement tending to injure a competitor or competitors, or by any other means which clearly vitiates the fair trade practice rules approved by the Federal Trade Commission.

"(3) Or where any party to any agreement approved by the Federal Trade Commission in respect to the production, distribution, sale, or other disposition of natural, manufactured, or other products and subject to interstate commerce regulations, which agreement, arising from any trade-practice conference authorized by the Federal Trade Commission, is alleged to have been violated by any party or parties thereto, or whose business has been materially injured by any competitor engaged in a similar line of trade.

"(4) Or where any producer, manufacturer, or corporation engaged in interstate and foreign commerce uses or causes to be used any material either of domestic or foreign origin, to the injury of any individual or corporation engaged in the production and sale of commodity material of exclusively American origin, or the manufacture and sale of any article or articles therefrom for strictly domestic consumption.

"(5) Or where any producer of domestic material is dependent upon transportation or other facilities owned or operated by individuals or corporations having a monopoly in such facilities and the unlawful power to fix prices and thereby discriminate or otherwise use such facilities to the injury of said producer so engaged in the production of commodity material for domestic consumption.

"All parties in interest as above may be heard by said commission, sitting as a court of equity, or by any equity court previously constituted, in redress of grievances as a consequence of such violation, violations, or injury. And in any such proceeding the complainant or complainants shall file an itemized statement, under oath, of the amount of damages alleged to have been incurred as a result of such violation, violations, or injury, which in effect is hereby held to restrain commerce.

"On conviction, the defendant or defendants shall be required to pay to the said complainant or complainants punitive damages not to exceed threefold the amount alleged to have been incurred, and in addition costs of suit, including attorneys' fees.

"Where any defendant in such suit or proceeding seeks to show, whether by contract or other understanding, his relationship as an employee of others financially interested in the business; or where the putative manager, owner, or other person connected with any such business pleads ignorance as to either costs or retail price; or where in the course of such business, the owner, manager, or other employee gives or accepts a 'free lot' of goods or other commodity; or otherwise violates trade-conference agreements as to unfair methods of business; such relationship, ignorance as to price, gift or acceptance, or other unfair business methods, is hereby held to constitute restraint of commerce, and each such act shall be tried separately and judgment entered thereon prior to the hearing on any other issue or issues raised by any other defense: *Provided*, That in case of unforeseen circumstances that would result in financial loss to the producer or owner of or dealer in any such articles of merchandise or other commodity referred to in paragraphs 1, 2, 3, 4, and 5, as above, such producer, owner, or dealer shall be exempt from prosecution under this section.

"The foregoing provisions of this section shall not abridge or interfere with the jurisdiction over such practices with which the several district courts of the United States have heretofore been invested by the antitrust act of 1890 or the provisions of this act. Nothing in this section shall in any way modify the provisions of the acts of Congress relating to monopolies and the penalties provided for under said acts."

Mr. NYE. Mr. President, life in these United States is not the life it was a quarter of a century ago; it is not the life it was 10 years ago. Our economic conditions have changed, and with the change in economic conditions there has come about a change in our industrial life. Our Nation was founded upon the theory that the individual, through merit, through opportunity, through intellect and perseverance, could succeed. We were taught that this was the land of opportunity, and before the delighted eyes of boys we painted such pictures of success as have been handed down to us from George Washington, Andrew Jackson, Abraham Lincoln, and those great captains of industry who have struggled to the top, although adversity confronted them at the bottom.

Now, however, we find that that independent force which has made our country great is being crushed. Whether it be the corner grocery man, the little druggist, the struggling farmer, the owner of the small factory, the operator of an oil well, or the proprietor of a community packing plant, we find that they must all be crushed by this juggernaut of greed, which says that in these United States of ours no man may live who chooses to remain independent, for opportunity is gone. There is nothing left except to travel a blind alley in the status of an employee.

This change has come upon us quickly. Many of us are not aware that the change has come, until suddenly we realize that disaster confronts our citizens in every section of the country.

We have assembled here, in this beginning of the year of 1931, to greet a different age from any that preceded us. We have come upon an age when we do not do business the way men used to do business, when, to quote a great observer:

We do not carry on any of the operations of manufacture, sale, transportation, or communication as men used to carry them on.

In a sense, in our day the individual has been submerged. In most parts of our country men work, not for themselves, not as partners in the old way in which they used to work, but generally as employees in a higher or lower grade of great corporations.

Our country has not become great because men were servants, but because men were masters. We have been proud of the phrase "free-born Americans," and yet, Mr. President, unless we regard this new age very seriously, and concern ourselves with some corrective measures, that term will cease to have any meaning whatsoever.

Men everywhere are asking why they can not remain in business as have their fathers. They are saying, "Why can not my son carry on?" They are asking why, in this land of ours, the little shopkeeper, the small manufacturer, the individual who is proud to term himself an independent, must cease to exist.

There was a time when America was filled with self-confidence. Her men were confident; they looked toward the future with faith and with the feeling that if they remained strong, if they remained true and steadfast, success would crown their efforts. Now self-confidence has given way to despair; men no longer face the future with the assurance that ingenuity, character, and the willingness to work, will win. Quite to the contrary; they find that effort, which ought to succeed, is doomed to failure because of an economic situation which makes success, as far as the individual is concerned, an impossibility.

This is a dangerous situation. It is an exceedingly serious thing when men ask one of the other, "What is wrong?" They all believe that something is wrong, and unless we change it, the improper sort of leader, playing on their emotions, is apt to carry them along the paths of destruction.

We stand to-day on the threshold. I believe that we are entering into the eve of a period of reconstruction when men will say, one to the other, not, "What is wrong?" but, "This is wrong," and then vigorously go about the correction of the evil.

I have introduced a bill which I believe will restore economic independence in a large measure. I believe it will restore the community by making possible the livelihood of those who build the community. I believe it will restore private initiative by giving to the small business man and factory owner the desire and spirit to go ahead. I believe it will help the farmer, because it will enable him to proceed and progress. I believe it will help the independent oil operator, a member of that third great industry, so that he can proceed to give of a natural resource to the industrial life of the Nation.

It is, in brief, a bill for independent industry. It does not propose to give anybody an advantage, but it does propose to clear the field for fair play. Monopoly does not want to be compelled to meet all comers on equal terms. If they can beat their competitor by fair means, that is one thing; but if they attempt to use foul means, we ought to see that they are stopped by law. I am not against competition. I am for competition. However, I am for fair competition, and I am sure that is the mind of most men.

All that the independent merchant or operator in this country desires is a fair field and no favor, and this bill aims to put men upon an equal competitive basis.

That there is a need for such a bill is demonstrated by the fact that in Minnesota alone more than 3,000 independent stores have closed their doors, and thousands have been thrown out of work. Three hundred thousand independent dealers, each the master of his own little shop, men who have spent their lives learning merchandising, men who know their customers and their needs, men who love their community and have given a helping hand in its development, have been crushed; and all this while certain great corporations established high records for earnings. We can not destroy the hope of the individual without crushing the spirit of America. We must safeguard individual initiative.

Four decades have passed since the enactment of the Sherman law. The problem which it aimed to solve is still perplexing. In an effort to correct unfair trade practices Congress in 1914 established the Federal Trade Commission. This was done as a result of the Clayton Act, which became a law on October 15 of that year.

S. 5513 proposes to amend section 2 of the Clayton Act, which is entitled, "An act to supplement existing laws against unlawful restraints and monopolies," and, by amending section 2 of such act, to extend the judicial arm of the Government to include the Federal Trade Commission. The Senate is entirely familiar with our commercial difficulties and the problems of the Federal Trade Commission, but under the law of its creation it is estopped at the very threshold of authoritative correction.

Moreover, in its advisory capacity the commission comes in contact with nearly all lines of enterprise. Its files bear witness to the fact that in the past 16 years it has taken part in 135 fair-trade conferences pertaining to a like number of businesses, most of them dependent upon the success of individual initiative.

An examination of its records shows that to the full extent of its limited powers the commission has accomplished a great deal toward betterment by advising the conference delegates to return to their homes and guard against violation of the laws. But it is at this point as an advisor in business affairs that its helpfulness ceases to operate.

Who are these delegates to trade conferences, and what is the nature of their troubles? As already stated, they are the representatives of almost every branch of the Nation's business. Among them are a great many who have felt the controlling hand which seeks to destroy independent enterprise. In fact, most of them, in order to meet oppressive practices, have been obliged to employ corresponding methods to save themselves from complete disaster.

In other words, the ineffectual trade conference bears close resemblance to the social gathering which meets, resolves, and adjourns; or the moral uplift league of good intentions and resounding title; or the bipartisan agreement to lay aside, temporarily at least, party interests in the face of emergency. Meanwhile, on the other hand, human nature, or whatever it is, continues to assert itself.

Even the courts are frequently amazed at the apparent incredulousness of "the man with the hoe" and his disposition to question the efficacy of further investigation which tends toward infinite delay. Again, he does not accept the profound definitions of the term "combinations in restraint of trade," or the word "discrimination" as being specifically applicable to "unfair trade practices." Although these admonitive injunctions were directed toward his moral and material improvement he sees them ignobly perverted for the convenience of monopoly.

Evidently the authors of the antitrust laws did not foresee, yet they must have feared, the coming of present-day conditions. Had they been gifted with supernatural vision, they might have put their finger on at least a few of the unfair trade practices which have resulted in the demoralization of legitimate business.

For example, on January 15, 1929, a trade-practice conference of grocers was held in Washington, D. C., conducted by Federal Trade Commissioner Hunt, assisted by Director Flannery, both of whom approved a resolution intended to prohibit—

secret rebates, secret concessions, or secret allowances of any kind, by requiring that terms of sale shall be open and strictly adhered to, based on the theory of price discrimination; giving of premiums involving elements of lottery, misrepresentation, or fraud; commercial bribery; false, untrue, misleading, or deceptive advertisements or other descriptive matter; use of deceptively slack filled or deceptively shaped containers; joint trade action purposed unjustly to exclude any manufacturer, merchant, or product from a market, or unjustly to discriminate against any manufacturer, merchant, or product in a market, by whatever means; and selling below cost for the purpose of injuring a competitor.

But the mere approval of the resolution did not, nor will it, prevent a repetition of bad trade practices. The commissioner and director went to the full extent of their statutory powers. Given judicial authority, as provided in this bill, the commission may be expected to establish greater fairness and equity in trade affairs.

Now, a large majority of the delegates who attended these 135 fair-trade-practice conferences are known as independents—a term which comprehends millions of men and women who are builders of communities. In quite all these gatherings over the 16-year period there has been a perceptible sprinkling of persons identifiable by a significant aloofness. Curiously enough, they may be classified with chain-store or other trust interests.

For the most part these are the absentee merchants, manufacturers, or producers on account of whose bad-trade methods at least one-half of the country's population are now suffering the consequences of discrimination and arbitrary price fixing. Further characterization of this influence, as it applies to the chain-store system, may be left to Mr. J. C. Penny, himself a chain magnate. In the Saturday Evening Post of February 22, 1930, Mr. Penny said:

> It is rather generally admitted that the chain store does give value, but on the other hand that it pays its employees starvation wages, puts in managers who are only clerks following routine, and that neither it nor its employees enter into the life of the community.

Mr. Penny was subsequently persuaded to modify this statement. Nevertheless, it will continue to stand as an accurate description of the foreign-owned, undemocratic system.

There are divers other lines of business similarly affected, representing as a whole a stupendous volume of trade now under the hammer of monopoly. The purpose of the measure I have offered is to hasten relief by a less distant route than is admissible through existing courts whose calendars are already at the overflow stage, amounting in fact to an embargo most injurious to small litigants or would-be litigants.

The provisions of the bill pertain (1) to chain-store infractions of the pure food and drugs act; (2) to the cutting of prices tending to injure competitors; (3) to the disregard of fair-trade practices contrary to conference agreements entered into by manufacturers and other tradesmen, said agreements having been approved by the Federal Trade Commission; (4) to the use of imported material to the injury of domestic producers and manufacturers of articles therefrom; (5) affords a means of protection for royalty leaseholders and other independent producers as against individuals or corporations engaged in transportation or the purchase of commodities for transportation.

As all are well aware, the vast amount of evidence before the Federal Trade Commission, indicative as it is of deliberate discrimination by powerful entities, is not unlike so much wasted effort. Furthermore, attempted use of it by the Attorney General through the district courts would require endless time, thus prolonging instead of bringing to an early end the catastrophe which has come to profitable trade among numerous independent, self-regulated enterprises.

An equally serious fact is that prosperity for all without that individual independence rightfully belonging to private initiative can not last. Stabilization upon insecurity is likewise lacking in sound principles. Private enterprise unaccompanied by substantial reward for honest effort will not long endure. Business, moreover, that is denied the mede of profit means nothing short of ultimate disaster. Hence it is that any nation whose industry, money, and credits are at the mercy of individual exploitation and speculation bears the indelible mark of failure.

In its latest report the Federal Trade Commission said:

> The question of resale-price maintenance is one of the most troublesome with which the commission has had to deal in the present state of decisions. The courts have fallen into hopeless confusion. Orders of the commission have been upheld in some circuits and set aside in others on almost indistinguishable states of fact. It is evident that legislation will be required to cure the present unsatisfactory conditions.

The above is directly in line with the President's recent recommendation for an inquiry into the necessity for action by Congress. But, with due respect for the Chief Executive, further inquiry in regard to the condition of industry would amount to mere repetition. Investigation has not sufficed; the need is positive, remedial action.

The proposed amendment to section 2 of the Clayton Act specifies the particular injuries which are being inflicted upon a multitude of business men, provides a suitable remedy before a body already familiar with the subject matter, and fixes the manner and sum of damages.

If it be said to invade the sacred precincts of protection, while neither denying nor affirming the soft impeachment, the proponents of this measure of relief are not averse to conceding the charge, with the reservation that in every detail the bill protects American industry.

Business reconstruction upon a fundamental basis is imperative. Irrespective of outlay, a billion and a half charity fund has been approved without the batting of an eye. Moreover, the dole system threatens the proudest, wealthiest country on earth. Confronted by this incongruous fact, the people will choose against continued demoralization. Better another billion and a half on reconstruction and stabilization rather than increasing nonemployment and an additional year or two of widespread disastrous uncertainty.

Some say it is a grave error to restrict legitimate business, but I say it is a far greater error to permit community life and community strength to decay, as it will surely decay under the chain system, and I hope for an awakening of what is in store if the monopoly program is permitted to continue.

Chain banking is as important of consideration in this connection as chain stores, and one who is interested in opposition to either must be opposed to both. We have witnessed the growth of community life. We saw the profits of those individuals, gained through their business, drifting back into the life of the community in the form of new investments, these new investments creating increased valuation on which taxes were levied for improvements, school maintenance, and so forth. While the individual merchant was enjoying his profits, those profits for the most part remained part of the wealth of the community in which they were created.

The chain store witnesses the departure of the independent individual. We find the chains creating profits, but the profits do not remain in the community; they are siphoned off into the coffers of owners residing hundreds and thousands of miles away. The chains are siphoning the lifeblood of all the lesser communities in America. We find it more difficult to maintain our school and public-welfare standards.

Draining the profits of business out of the community can have no other result than ultimate community decay. It is not a pleasant picture; we had better face it now while we can and while we still have an opportunity to maintain those better standards for the community.

It may be true that the consumer is buying his goods for less money under the chain system; in other words, he may possibly have immediate profits; but, Mr. President, what will be the case when the chains are no longer bound to compete with the individual business man and when the chains have succeeded in eliminating independent stores quite entirely?

The chain-store ills are not unlike those being faced by the independent oil operators. To quote a distinguished leader and representative independent:

> The oil industry, with its $12,000,000,000 capital investment, is generally considered the third in size of our major national industries. Its basic product, petroleum, is vitally essential to our present-day civilization. The industry, however, is unique in the sense that, possibly in greater measure than in any other, it is dominated and controlled in all its branches by a small group of large organizations directed by a mere handful of men. This group exercises, in direct violation of Federal law, a control and a manipulation of prices of both crude and refined oils as well as a control of the production of the crude product which is ruinous in the extreme to thousands of independent operators.
>
> Inquiry, in my opinion, will reveal it to be the most arbitrary, pernicious, unfair, and ruinous control ever exercised in the con-

duct of any American industry in the economic history of this country.

No other industry in this land is vested with such widespread power, extending through all the stages from production of the crude product to the point of actual delivery of the manufactured article to the consumer. We have, in our industry, an Oil Trust controlling in absolute fashion the rate of production and price of crude oils; it owns its own transportation system; it owns and controls the refining or manufacturing branch of the industry; and the vast distributing or marketing system is owned or controlled by it. Through the establishment of such machinery, a perfect vehicle has been created for regulating and manipulating costs and prices in every one of the four branches, with the sole exception of the transportation branch, which the Government was forced to place under its own regulatory power. With this opportunity presented, the Oil Trust enforces, greatly to its own financial profit, a policy ruinous to thousands of independent operators of the industry and exceedingly and unnecessarily costly to the consuming public.

The most important independent group of operators and those owning the greatest amount of property and business not yet taken over by the few large controlling organizations are to be found in the production branch. This group includes both the independent oil producers and the land or royalty owners. A larger portion of the producing part of the business is independently owned than is the case in any other branch of the industry, and it is upon those so engaged that falls the full brunt of the unfair and illegal practices of the controlling organizations.

A few large integrated companies, dominating every branch of the industry, find it to their advantage to maintain crude oil prices below a fair cost of production while, at the same time, holding prices of gasoline and other refined products at such high levels as to create for those integrated companies the greatest of profits. Under conditions of terrific depression last year, for instance, when thousands of men in the oil fields were thrown out of employment and many producers were ruined financially, one of our large controlling corporations actually made the greatest financial profit ever realized in its history. The profits came from policies directly in violation of our Federal antitrust laws, both as regards concerted action in the case of every change in the price of crude oil and as regards combinations and agreements in restraint of trade to a point where independent competition was squelched and the properties of such independent competition were acquired through duress.

Control of prices of petroleum products is so effectively exercised as to reveal no true relationship at all between fluctuations in the prices of crude and refined oils. To illustrate this point a comparison of prices in the years 1926 and 1929 might be made. In February, 1926, the price of mid-continent crude oil averaged $2.04 per barrel. In February, 1929, the price was $1.20 per barrel. In 52 cities, selected at random and widely scattered throughout the United States, the price of gasoline averaged 18.09 cents per gallon in February, 1926, and 18.39 cents in February, 1929. Furthermore, in 1926 the refineries of the country recovered an average of 36 per cent gasoline from the average barrel of crude oil, whereas in 1929, due to new and improved methods of refining, the average recovery of gasoline was 44 per cent. In February, 1926, therefore, refineries obtained 15.12 gallons of gasoline from one barrel of crude oil, which cost $2.04, but in February, 1929, they obtained 18.48 gallons from a barrel costing $1.20. Refining costs did not increase, and if the price of crude oil had governed the price of gasoline, the average price of gasoline in the 52 cities in question should have been 10.6 cents instead of 18.39 cents per gallon. Out of a mass of data covering a number of years, fluctuations in the prices of crude oil and in those of gasoline have been analyzed for the purpose of ascertaining whether the price curves of crude oil and gasoline move in harmony with each other. While to the layman this would naturally seem to result, the oil industry knows that prices are so regulated as to nullify all precepts of the natural law of supply and demand and that they are not influenced by natural causes. On the other hand, prices are manipulated for the benefit of a few organizations to the detriment of a very substantial number within the industry, and to the constant excessive cost to the public. Examination of records of many years proves conclusively that there exists general agreement among the principal oil-purchasing companies in the setting and regulating of crude oil price changes, all of which are made in concert among the purchasers and usually within the short period of 48 hours. The last crude oil price change has reduced the level to the lowest point in 14 years, and there exists to-day no such corresponding change in the price of refined products.

Omitting a part of the letter of Mr. Jones, which letter, Mr. President, I ask unanimous consent may be printed entire at the conclusion of my remarks——

The PRESIDENT pro tempore. Without objection, it is so ordered.

(The letter entire is printed at the conclusion of Mr. NYE's speech as Exhibit A.)

Mr. NYE. Mr. Jones continues:

The country has been led to believe that we have had for years an overproduction of oil, whereas the fact remains that for the last 12 years we have had an underproduction of oil in this country. Between January 1, 1918, and January 1, 1930, for instance, the United States produced a total of 8,000,000,000 barrels of oil. Our markets consumed 8,600,000,000 barrels, or 600,000,000 barrels more than we produced. The importers of oil dumped into the country, however, in this same period 950,000,000 barrels of cheap foreign oil, or 350,000,000 barrels more than our market requirements. Such dumping has created in this country a condition of oversupply and is now being continued at a rate of something like 100,000,000 barrels annually by the same organizations which are making such capital from our so-called "overproduction" problem. This status of affairs naturally lends weight to the propaganda put forth to beguile the public into the belief that something must be done to curb the production of oil and severe steps have been taken to force American oil producers to curtail the output of their wells to a point where ruination has forced many to sell their oil properties and where thousands of personnel have been thrown out of employment while the controlling organizations continue their importations at a rate in excess of one-quarter of a million barrels of foreign oil daily.

Mr. President, further on in his letter, Mr. Jones says:

So have freedom and equal opportunity in the conduct of that business given way to an oppression which ruthlessly throttles normal intercourse of trade and confiscates in pitiless and ruinous fashion the business and properties of those not already eliminated.

Mr. President, Mr. Wirt Franklin, president of the Independent Petroleum Producers' Association of America, states that if help is not given to his industry, an oil monopoly will exist in the United States within two years.

Within the last few days there gathered in Washington leading oil men and governors of oil-producing States. Out of that conference came the most positive knowledge of the serious condition confronting to-day the independent oil operators.

Mr. H. H. Champlin, of Enid, Okla., states that unemployment is to-day the biggest problem in his State of Oklahoma. Merchants, professional men, tradesmen, all are feeling the result of so many in each community being out of work and without funds to meet current obligations. He states that this has all been brought about while monopoly conceived and conspired to stifle and throttle the independent oil industry.

Mr. Russell Brown, an executive of the Independent Petroleum Association, states that—

It is a strange but interesting fact that monopoly breeds in the minds of its possessors the germs of its own destruction. The danger is that once given a hold in a country, when it brings destruction upon itself, it may cause a great and often irreparable injury to the Government. It, therefore, becomes our duty to prevent rather than to punish monopoly.

But, Mr. President, it is not altogether in the chain store, the small factory, the independent oil industry that we find this condition which so much needs correction. We find it also among the independent packers. Mr. Charles H. Frye, of Seattle, Wash., the owner and operator of the largest individually owned packing house in the world, states in a letter to me that—

The big packers contend that to the extent of their power they can be trusted to look out for the best interests of both producer and consumer. In so far as quality and service is concerned they are dependable, but where they have no competition they will raise prices to the limit, and where they have competition they will uppercut the independents at every opportunity, for that is their religion.

If the consent decree is modified—

This letter was written just prior to the modification of the consent decree—

the Big Four will consolidate with the chain stores. Then we will have a legalized, full-fledged, simon-pure, 24-karat combination, headed by machine-managed, shrewd, cunning, tried-out men who will do collectively what they would not do individually—that is human nature. The livestock producers and the consuming public do not realize that modification of the consent decree would put a yoke on their necks and they would be compelled to carry it.

Thus, Mr. President, we have heard the protest of the corner groceryman, the little merchant, the small manufacturer, the independent packer, the individual oil operator, and the representatives of those who believe in the American principle of individual opportunity and ownership. In spite of the fact that their various lines of endeavor are strikingly different, their problems as a whole are impressively similar. We find that their complaint is a general one; that the cause of their difficulty is known. Thus the bill which I propose will enable those injured in unfair trade practices to come

immediately before a board which has authority to adjust the wrong and apply the remedy. There need be no delay. It should be possible to pass upon a cause within a period of 30 days, and the bill provides that upon conviction threefold damages shall be assessed against the party responsible.

This bill will aid the little merchant who finds that his neighbor, representative of a great monopoly, temporarily sells at ruinously low prices for the purpose of eliminating him from the competitive picture. It will help as well the independent operator of oil wells who finds himself shut in with his earthly bounty and his market destroyed.

The bill has for its primary purpose the stabilization of American independent industry and prompt relief from the wrongs which to-day confront independents of every conceivable sort of business everywhere.

Mr. President, let us for a moment consider one of the problems confronting the farmer. The various concerns which had manufactured harvesting machinery prior to the organization of the International Harvester Co. had a combined capitalization of $10,500,000. When they were consolidated there was suddenly revealed a capitalization of $120,000,000. Thus the farmers of the country, as stated by Louis D. Brandeis in his book Other People's Money, have been compelled during the intervening years to pay a profit on nearly $110,000,000 of capital which did not represent value.

Thus monopoly piles its burdens upon the backs of those least able to bear it.

I think at least it is possible, Mr. President, that if some few years ago the Federal Trade Commission had possessed the power which my proposed legislation would give that commission there would not to-day be the contest that is being waged between the Farm Board attempting to administer the farm marketing act and the grain-trading interests of this country. It was not so many years ago that there was builded up in the Northwest in the wheat area a gigantic cooperative movement which was promising splendid results and making excellent headway. It went out and purchased facilities at the terminals where the grain was being received.

One day they discovered that something was going wrong. Their business was dropping off, and dropping off fast. It was not long before that great cooperative movement found itself with its back to the wall, and finally in the hands of receivers, destroyed. Many wondered what had happened. Many wondered what in the world had caused that failure. They looked upon the leadership of that movement as having been exceedingly capable.

Somehow or other, they were prevailed upon to come to the Federal Trade Commission and see if an inquiry could not be made into little stories that they had heard of the practices that had been resorted to to put this great cooperative movement out of business. The Federal Trade Commission was prevailed upon to make that investigation. After completing a lengthy investigation they made their report; and in that report they declared that this great cooperative movement had been crushed, had been destroyed, because it was the will of this grain-trade crowd to destroy that cooperative, which was proving so great a source of competition to them. Destroy this cooperative movement that grain-trade element did—destroyed it and broke it as they would a little stick, a match. That easily did they do it.

But, Mr. President, in spite of that report, in spite of the fact that the report accused the grain trade of resorting to boycott—and I am using the language of the Federal Trade Commission in its report—in spite of the language contained there that the grain trade had resorted to boycott and to sabotage to wreck and destroy this cooperative movement, there never was one step taken in the direction of punishing those who had resorted to the boycott and sabotage.

That cooperative movement had gained such headway in its day that had it been permitted to go on and function we would not have the need to-day for millions upon millions of dollars to foster and to back cooperative enterprise. I think we would have to-day a demonstration of what cooperative endeavor could do. But, Mr. President, when we consider setting up cooperatives to solve the farm problem, let us not lose sight of the fact that something more than the mere authorization of law is needed to establish them, and something more than a friendly administration of the law. In addition to that, there is needed the backing of the Government in any way that is called for against such selfish interests as did, those few years ago, resort to their programs of boycott and sabotage, just as they are resorting to the same sort of program in this day and age against the Government itself, which has a hand in the establishment of cooperative enterprises.

Mr. President, had we had in the hands of the Federal Trade Commission then the power which this legislation would give them, the Federal Trade Commission could have gone forward and enforced their order. Not only could they have laid down the order, but they could have gone out and enforced it of their own will, as they would gladly have done at that time, knowing the conditions and the circumstances as they did.

During the World War man's fingers turned almost instinctively to that chapter in Revelation wherein the ravages of the Four Horsemen are portrayed. With reason it was then felt that the steeds with their grim riders were let loose on the world; that pestilence, famine, war, and death might put the civilized world under the trampling hoofs. War we had, and death; but two, pestilence and famine, were mercifully held back.

Pestilence, an ancient and inclusive word for what we moderns call epidemics, is a relative of war in all history; but in time of peace no widespread wave of disease is expected. Death is more selective in his victims then, and science bars the dark angel from sweeping whole populations into that grave which Solomon said is never satisfied and never cries, "Enough."

Yet if the diseases of the physical man are thus checked, peace offers greater opportunity from the development of economic disease. These are truly epidemic, and as fully pestilences as any that afflict the body. For, as all know, there is a body physical and a body economic. It is upon the latter that disease fixes itself in time of peace.

At the present moment this Nation is suffering from such a pestilence. The air seems to carry it into the most remote hamlets, and its inflamed face is seen in the broad streets of our great cities. It is a cancer, spreading and devouring, as it goes, the whole tissue of the Nation's economic body. It is monopoly.

There are those apologists for this disfiguring disease who attempt to cover up the raw and fearful wounds and festering sores it makes, by pretending to think it is an indication of progress and an evidence of evolutionary advance in commerce. "Look," they say, "how the railroad destroyed the stage coach, how the steamer swallowed the sailing ship, how the automobile eliminated the horse, how the moving picture replaced the legitimate stage. Hence the chain store, the chain bank, the chain newspaper, and the chain public utility are the offspring of human genius, natural and inevitable, to supplant the individual forms of trade and commerce."

But the railroad created a thousand hamlets and millions of homes which the stagecoach could not have called into existence. The steamer increased the number of ships and gave employment to millions more than the sailing vessel. The automobile created a new industry, and employs a thousand times more men than were employed in the age of the horse. The moving picture has not quite obliterated the legitimate stage, and gives employment to many more.

Monopoly can lay scarce claim to creating anything. It reduces the number of persons employed, and pays wages below a living scale. It is not creative of new business. It is the cancer that feeds upon the flesh of a living organism and threatens its life. Wherever it touches there is death, both to the town and individual enterprise.

The black death which denuded Europe of its population in the fourteenth century may afford a ray of hope. Shortage of laborers following it caused a complete overturn of the feudal system, and replaced serfdom and vassalage with

a system of land ownership and tenantry which obtains to-day. It made free men of slaves. Perhaps the epidemic of monopoly is but a malignant cancerous growth which is destroying itself, and strikes the manacles from the arms of trade and commerce.

The Good Book tells us:

So I returned, and considered all the oppressions that are done under the sun: and behold the tears of such as were oppressed, * * * and on the side of their oppressors there was power.

Thus 3,000 years ago Solomon, at the close of a long life, noted the beginnings of a condition that eventually destroyed both his dynasty and his nation.

A cursory reading of the newspapers of the United States reveals with amazing unanimity the existence of a like condition to-day. The oppressor and his power are still with us. Only the form changes. To-day the newspapers report the employment of costly lawyers by men accused of public plunderings; verdicts of "not guilty" in instances of gross and notorious public wrong; persistent attempts to elect certain others to Congress for the sole purpose of protecting the oppressor and his power. Nor is corruption and criminality confined to those who hold public office. It taints every activity of life. Its worst feature is the effect upon the moral fiber of the country, which becomes accustomed to seeing virtue, honesty, honor, and justice mocked.

More than 20 years ago a Senator boasted on the floor of the United States Senate that 50 men in the Republic possessed absolute power to arrest or stimulate the economic processes of the Nation, to stop every wheel, and paralyze industry, and to control the fundamentals of our social order. Only a few years ago a prominent New York banker, in an address to an audience of bankers in a Western State, told them that not 50 but 12 men held this sovereign power, and modestly admitted that he was one of the 12! Still more recently the late John Skelton Williams, who was Comptroller of the Currency for eight years, advised the country that after careful investigation he concluded that fewer than eight men controlled the destinies of the Nation.

Whence come our misfortunes? They are the result of our sins of omission and commission as a people. Government may be corrupted and public misfortunes induced by the failure to assume those functions properly belonging to government as well as from interference in the proper sphere of individual activities.

Our Government has taken a stand against monopoly. When competition is destroyed the consumer and the producer will suffer. We should not permit any group of individuals to become so strong that they can at will destroy thousands of home-owned stores, home-owned factories, home-owned banks, and independent industry.

It must be admitted that a government is not worthy of the name unless it can protect its people against oppression, and particularly oppression by the very creatures of which it is the creator. Else the Frankenstein it has called into being will ultimately destroy the government itself. That is the lesson of all history.

Lincoln, with the voice of a prophet, cried out amidst the tumult of Civil War against the wrongs that his prevision revealed to him; and I am going to repeat now the words which were quoted only a few days ago on the floor of the Senate by the Senator from New Mexico [Mr. CUTTING]:

As a result of war, corporations have been enthroned and an era of corruption in high places will follow, and the money power of the country will endeavor to prolong its reign by working upon the prejudices of the people until all wealth is aggregated in a few hands and the Republic is destroyed; I feel at this moment more anxiety for the safety of my country than ever before, even in the midst of war. God grant that my suspicions may prove groundless.

I now request the inclusion in the RECORD, following my remarks, of the letter to which I have referred, sent me under date of December 24 by Charles H. Frye, of Frye & Co., packers and provisioners at Seattle, Wash., and a letter of December 29 from Mr. J. Edward Jones, of New York City. Both these letters relate to problems confronting independent industry.

The PRESIDENT pro tempore. Without objection, it is so ordered.

The matter referred to is as follows:

SEATTLE, WASH., *December 24, 1930.*

Hon. GERALD P. NYE,
United States Senate, Washington, D. C.:

In the matter of the petition of Swift & Co., Armour & Co., and their allied interests for modification of the packers' consent decree entered by the Federal Court of the District of Columbia, February 27, 1920

MY DEAR SENATOR NYE: Frye & Co., of Seattle, Wash., of which I am president and active manager, is the largest individually owned packing house in the world. The daily capacity of the plant is 1,000 sheep, 3,000 hogs, 200 cattle, and 250 calves. In connection therewith we own and operate wholesale branches along the Pacific coast from San Francisco to Alaska, also at Honolulu, with retail markets in Seattle and vicinity. The Seattle Union Stockyards is owned and operated by ourselves, and we feed at our plant in Seattle annually 7,000 head of cattle and 20,000 sheep. We own and operate at Poplar, Mont., 35,560 acres of land; 10,150 acres are situated below a ditch. We raised 15,000 tons of hay this year and 251,000 bushels of wheat. Besides, we have under lease from the Indians 351,050 acres of grazing land. We have 10,554 breeding cows at this point, and we branded 5,110 calves this year. We have at Monroe, Wash., a vegetable farm consisting of 1,688 acres of rich peat land, of which 1,300 acres are in a high state of cultivation, with 44 miles of narrow-gage railroad track and a 225-ton ice plant. We marketed 751 cars this year, and all preparations are being completed to ship 1,500 cars of lettuce next season. I also own a 100-acre hop yard at Yakima, Wash., which I have operated for the past 32 years.

I was subpœnaed to be in court in the above case on November 17, but on November 3 Mr. H. B. Teegarden, special assistant to the Attorney General, telegraphed me to be there on November 13. On my arrival Mr. Teegarden informed me that he had closed his case November 8 (the day after I left Seattle for Washington) and that he had wired me to that effect. In this he was mistaken, and I was forcefully impressed that the case was being "soft pedaled" and that they did not want me to testify. From many rumors I have heard since, my ideas were well founded.

I have been engaged in active competition with the Big Four for 35 years, and I probably know more about their methods of operation than any other man in this country. It has always been my policy to keep on good terms with our competitors. I have never violated any business ethics and am on very friendly terms with all of the Big Four. However, if they put over what they are attempting to do now, it will be clearly against the farmers and the consumers' best interests.

For that reason I consider it my duty to draw this to your attention; and I shall endeavor to briefly and fearlessly outline the facts of my experience with them during the past 35 years, and take my chances on future punishment by them.

It has been suggested by the proponents of the petition for modification:

1. That the modification would not result in food monopoly by the so-called big packers;

2. That, to the extent of their power, the big packers can be trusted to look out for the best interests of both the producer and consumer; also for quality and service to the public.

A change in the freight-rate structure of the Mountain-Pacific territory is suggested under what is known in this area as the Armour plan. Under the Armour plan the Interstate Commerce Commission, in various cases, is being asked to raise the rates relatively upon livestock, except for short hauls, and to lower the rates upon packing-house products and fresh meats. Under the leadership of Armour & Co. (Eastern Livestock Rates of 1926, 165 I. C. C. 277), the Interstate Commerce Commission has just been persuaded to increase the rate upon livestock on movements from Chicago to the North Atlantic from 50 cents a hundred pounds to 53 cents a hundred pounds, and in many other cases they are found asking for a lower rate upon fresh meats and packing-house products. Their movement is to adjust freight rates on livestock and meat products so as to compel the slaughter of livestock as nearly as possible to the territory where produced, which would be clearly unfair to the producers and independents for the reason that the farmer is clearly entitled to the greatest possible range of markets and a freight rate commensurate with what the packers are paying on their finished product.

The following is a concrete example of how the Chicago-to-North Atlantic rate on live hogs works out against the farmer: According to Swift's and Armour's figures, 428,600 pounds of live hogs will make 80 per cent finished product, or 342,880 pounds. This requires 10 refrigerator cars of 30,000 pounds each finished meat products, netting the railroad company only $179.15 per car, or 16.6 cents per hundred pounds, on the total weight hauled, and one box car of fertilizer netting the railroad company $203.58, or 26.2 cents per hundred pounds, on the total weight hauled. As against the big packers' 16.6 cents per hundred pounds, the farmer and the independent packer pay 20 cents per hundred pounds more, or $857.20 more on the 428,600 pounds of live hogs than the Big Four pays for its finished products (statements hereto attached showing how we arrived at the above figures).

This is a clear case of the big packers having the railroads by the throat, and the farmer without representation has been unable to protect himself. The Interstate Commerce Commission was misled in not making the proper differential in freight rates

on fresh meats and packing-house products as against the live-hog rate, a mere mathematical calculation. You will agree with me that the farmer has been milked dry and should no longer be penalized by paying more freight on his live hogs per hundred pounds on the total weight hauled than the product nets the railroad company, less 10 per cent for raw material. The railroad companies are furnishing automobile cars 50 feet long, 13 feet 9 inches high, and 9 feet 2 inches wide. The farmer, who has done more than his share toward building up the railroad companies, is entitled to modern, double-deck livestock cars, 44 feet long, 9 feet 4 inches wide, and 13 feet 9 inches high, with troughs on each end, which would weigh 40,000 pounds, bedding 2,000 pounds, so that 42,000 pounds of live hogs could be fed, watered, and comfortably transported long distances without unloading, and at less cost and time to the farmer and railroad company. This modern car would haul one pound of live hogs for each pound of dead weight at a saving to the farmer on 2,143 hogs of 22 cents per hundred pounds, 44 cents per hog, or $942.92. In a refrigerator car they haul 2⅔ pounds of dead freight for 1 pound of product. These are facts regardless of what others may say.

"The big packers contend that to the extent of their power they can be trusted to look out for the best interests of both producer and consumer. In so far as quality and service is concerned, they are dependable, but where they have no competition they will raise prices to the limit, and where they have competition they will uppercut the independents at every opportunity, for that is their religion." Proper protection for the producer and consumer is a very, very serious question. Had the Big Four been sincere, they would have supported the market and prevented the drastic drop in prices on both fat cattle and sheep last spring and summer, which ruined thousands of farmers. The facts are that they bought the cattle and sheep at the lowest possible figure, sold them for all they could get, then blamed the retailer for holding up prices, and through the circulation of propaganda made the farmers and livestock men believe that this was the cause of the terrific reduction in livestock prices and that the consent decree was the cause of all their troubles, thereby getting the livestock producers to indorse modification of the decree, when the packers alone were clearly to blame for the drastic drop on both cattle and sheep.

It is reasonable to assume that the retailer knows more about the retailing of meat than the Big Four packers. The last few years we have not been able to depend on the steady consumption of meat like in former years. Seventy-five to 80 per cent of all meat is retailed under very highly competitive conditions, with profits practically eliminated, for the reason there are already too many retail meat markets as a result of the butcher supply houses selling fixtures to retailers on the installment plan. Then, too, chain stores have recently established a large number of meat markets, which has further aggravated the unfortunate condition. The packers' entering into the retail business will not benefit the consuming public or producer, and if the consent decree is modified it will be a serious mistake, for only the decree will make and keep them good Christians.

On May 10, 1903, we shipped 10 cars of cattle from Temple and Taylor, Tex., via Kansas City and Burlington to Seattle. When the cattle arrived at Kansas City the Beef Trust got the Burlington by the throat and the cattle were sold at a snap to the Beef Trust. Simultaneously, all rates to Seattle from Texas on cattle were canceled. We sued the Burlington and collected $9,748.25. During 1903 the freight rate on live hogs from Missouri River common points to Seattle was $150 single deck and Union Pacific to Portland $140 single deck and $225 double deck. When the Hill interests got control of the Northern Pacific and Harriman acquired control of the Oregon Short Line in 1904, the big packers gave the Canadian Pacific Railway Co. a certain amount of the packing products via Montreal east, and the Union Pacific, Great Northern, and Northern Pacific each shared in the packing-house shipments to Seattle and the Northwest.

In reciprocation for this business the railroads agreed not to show us any favors, cancelled the $150 hog rate and increased it to $240, or $90 above the rate to San Francisco where the Beef Trust was operating. In August, 1905, the Northern Pacific became dissatisfied with the line-up against us and made a $240 double-deck rate on hogs from Missouri River common points to Seattle. Immediately Swift and Armour got them by the throat and made them withdraw the rate. Later they made us a $230 rate per 36-foot double-deck car, Missouri River common points to Seattle, but again they were compelled to withdraw it, while the Beef Trust was enjoying a $150 single-deck hog rate, Missouri to San Francisco. On November 10, 1904, the San Francisco rate was increased to $170 per 36-foot car and on February 11, 1905, the Northern Pacific via Burlington, published a $170 rate per single deck 36-foot car Missouri River common points, Omaha to Seattle. Then we started weekly shipments to Seattle. The first train of hogs from Omaha came through without Federal inspection, but propaganda was sent to South Dakota, Montana, and Idaho State health departments to the effect that we were shipping hogs to Seattle that were exposed to cholera. On the second trainload the hogs were held up and were compelled to get State inspection at the South Dakota, Montana, and Idaho lines, thinking we would get held up and cholera would break out and we would lose the hogs. While the Bureau of Animal Industry was inspecting hogs in Omaha they refused to inspect our shipments to Seattle. This led to some very hot telegrams to the bureau in which I threatened an investigation. To keep up our supply we shipped two trainloads of hogs from Omaha, Milwaukee Railroad to St. Paul, and rebilled them Canadian Pacific to Seattle. They would not inspect them for us from Nebraska points, and in the meantime I had gotton busy with the Governors of North Dakota, Montana, and Idaho. After that we shipped from central Nebraska points to Seattle without inspection.

During that fall we were making heavy shipments and I asked Mr. Hannaford, vice president of the Northern Pacific, for a $150 rate on hogs. He said to me: "I appreciate your business and know you are entitled to a $150 rate, but what can I do? The Beef Trust has me by the throat, and if I were to make you a $150 rate Jim Hill would kick me out of this chair. Rather than lose my job you must go without the rate." The Nebraska farmers and ourselves entered a complaint before the Interstate Commerce Commission asking for a $240 double-deck rate on hogs and $150 on single decks, Missouri River common points to Seattle, the same as the Beef Trust was paying to San Francisco. About the same time Mr. Harriman made the $150,000 contribution to President Roosevelt. The commission's decision was handed down about 15 months later declining the $150 rate and they claimed there was no evidence on double decks. Several months later I asked Dryas Miller, president and manager of the Burlington in Chicago, for a $250 double-deck rate on hogs from central Nebraska points to Seattle on the plea that I should not pay any more for live hogs than their products netted them on the total weight hauled. He agreed with me, but said: "You can not afford to pay on that basis," and produced Armour's and Swift's figures on the amount and percentage of finished product live hogs would make, showing weight of refrigerator cars, ice, and loading, the double-deck livestock car weight and bedding. To ascertain the live-hog rate was merely a mathematical calculation. The following morning I presented Mr. Miller with a statement showing that on the basis of Swift's and Armour's figures I was entitled to $249.50. He was thunderstruck, called in his traffic manager and said to him: "Is it possible after we have been figuring this for years that we are mistaken and Mr. Frye should come 2,400 miles to show us how to figure freight rates?" While they had thousands of idle double-deck stock cars he refused to furnish any, but telegraphed Mr. Hannaford, vice president of the Northern Pacific at St. Paul, that I would see him the following morning, and if the rate was satisfactory to make it. Mr. Hannaford met me at his office door and said: "You are right. I will make the rate. That will revolutionize the hog business." But he declined to furnish double decks, compelling us to furnish them ourselves at an expense of $6,554.50, in which we shipped 25 cars of hogs weekly for the next 33 consecutive months.

For three years before Swift and Armour bought the packing house at Portland, Oreg., we did a large volume of business and enjoyed splendid service with the Union Pacific through Mr. G. I. Tuttle, traffic manager at Salt Lake City, but when Swift and Armour bought the Portland plant he immediately came to Seattle and notified me to look out for trouble. To uppercut us the dressed-meat rate San Francisco to Seattle was lowered to 50 per cent less than the rate on beef cattle and the cattle valuation was cut from $50 per head to $20 per head. From then on we got simply rotten service. That caused us to enter 12 suits for damages, all of which they paid before they came to their senses. In 1913 the Oregon & Washington Railroad (part of the Harriman system) paid us $15,000 toward building stockyards, and we entered into an agreement with them to handle stock in Seattle for a term of years. That peeved Swift & Co. and they demanded of the railroad company that they rescind this contract. As a punishment they routed a very considerable amount of freight against them for a long time.

The fall of 1910 or 1911 we bought 3,000 fat range steers from MacNamara & Marlow at Big Sandy, Mont., and 3,500 fat range steers from the late Senator T. C. Power. Both herds ran on the same open range; all were exposed to or had the scab, but the MacNamara & Marlow cattle had a clean certificate. Because of their influence, the Bureau of Animal Industry issued an order to the effect that all cattle except those for immediate slaughter were to be dipped. Cattle from the same range were being shipped to Omaha, Chicago, Tacoma, and Portland for immediate slaughter. Every time we had a train of our Power's cattle in the stockyards for shipment to Seattle for immediate slaughter they were maliciously held up. That caused us to send more hot telegrams to the bureau, which had the effect of getting them through to Seattle after hours of delay. Immediately after that the drastic packing house inspection law became a law and the Bureau of Animal Industry found all kinds of trouble with Doctor Hess, the inspector in charge at our plant and the personification of honesty. He was competent, industrious, and conscientious, and had been in the service for 17 years, but he was discharged and Dr. Jens Madsen was sent out here to trim us good and hard, all of which emanated from the Beef Trust. After the Beef Trust started selling fresh beef in Seattle the manager of Swift & Co.'s Seattle plant began an agitation among the master butchers, a local association of retailers, and organized labor. The former demanded that we discontinue retail operations and labor ordered us to unionize our employees. That put us in position of "be damned" if you do and "be damned" if you don't. We refused and were boycotted by both. Immediately Doctor Madsen, who was supposed to be neutral, harassed us on each and every occasion; nothing could be done to satisfy him.

In conclusion hereof, it should be remembered that while the modification of the consent decree was pending the Big Four persuaded the Interstate Commerce Commission to further raise the freight from 34 to 40 cents per 200-pound live hog above what the packers were paying on the finished product on the total weight hauled, which is clearly unfair to the farmer; and about the same time the drastic drop in live-cattle prices occurred that ruined thousands of farmers. Had they been sincere this would not have happened. Whatever the big packers will do in the future can only be judged by what they have done in the past. They have a perfect organization, and our unusual economic conditions have made fertile soil to work in. Each understands the other; and while they may quarrel among themselves, they are one against the field at all times. If the consent decree is modified the Big Four will consolidate with the chain stores. Then we will have a legalized, full-fledged, simon-pure, 24-karat combination headed by machine-managed, shrewd, cunning, tried-out men, who will do collectively what they would not do individually—that is human nature. The livestock producers and the consuming public do not realize that modification of the consent decree would put a yoke on their necks, and they would be compelled to carry it.

This letter may sound to you like an attempt to take out my ill feeling upon the so-called "big packers." However, the real purpose of this letter is to demonstrate to you that I could have given valuable testimony at the hearing upon the modification of the consent decree. The United States Government knew that I was a large, independent packer and in a position to give facts that no one else could have given. The fact that I was called to Washington but not used clearly demonstrates that the case of the Government was not prosecuted as vigorously as it might have been. I am placing these facts in your hands because I believe that a situation of this kind calls for a thorough and far-reaching investigation.

This is a matter of national importance and deserves your earnest consideration. If there is any point in this letter upon which you are not entirely clear I would be glad to call upon you at your convenience and go into the matter more fully.

Yours very truly,

FRYE & CO.,
CHARLES H. FRYE.

Revenue on 2,143 live hogs, weighing 428,600 pounds, making 80 per cent finished product, as per Swift's and Armour's figures submitted to Burlington Railroad as a basis on which to figure the rate on live hogs

	Pounds	Rate per hundredweight	Amount
Products:			
20 per cent lard	85,720	$0.56½	$484.31
10 per cent loins	42,860	.79	338.59
40 per cent hams and bacon	171,440	.56½	968.64
10 per cent fertilizer	42,860	.47½	203.58
Total	342,880		1,995.12
Net total weight pay load requires:			
10 refrigerators loaded with	300,020		
1 box car loaded with	42,860		
	342,880		
Less excess mileage on 10 refrigerator cars, Chicago to New York, 1,000 miles each way at 1 cent			200.00
			1,795.12
Weight 10 refrigerator cars [1]	550,000		
Ice 10 refrigertor cars	80,000		
Excess weight on returned refrigerator cars, 15,000 pounds each	150,000		
2,000 pounds ice left in returned refrigerators	20,000		
Weight, fertilizer box car	35,000		
	1,157,880		
$1,795.12 net revenue for transportation 1,157,880 pounds, total of the finished product of 428,600 pounds live hogs, at 15.5 cents per hundredweight, it would require 10 modern 44-foot stock cars, loaded, 42,000 pounds each:			
Weight of stock car	40,000		
Bedding	2,000		
Load	42,860		
	84,860	.15½	131.43
Less 10 per cent for raw materials			13.14
			118.29

[1] Weight of 10 refrigerator cars represents average weight of 10 Swift & Co. cars, taken by myself at random in the Union Stock Yards, Chicago, November 10, 1930. The car numbers will be furnished on request.

The farmer is being overcharged $94.29 per car; 22 cents per hundredweight, or 44 cents per hog.

Swift & Co. iceman furnished the weight of ice used, which is 5,600 pounds in winter and 8,000 pounds in summer. The empty returned refrigerator car in winter has almost 5,600 pounds remaining in it and in summer from 4,000 to 6,000 pounds. I have been very conservative on the weight of ice.

Revenue on 2,143 live hogs, weighing 428,600 pounds, making 80 per cent finished product, as per Swift's and Armour's figures submitted to Burlington Railroad as a basis on which to figure the rate on live hogs

	Pounds	Rate per hundredweight	Amount
Products:			
20 per cent lard	85,720	$0.56½	$484.31
10 per cent loins	42,860	.79	338.59
40 per cent hams and bacon	171,440	.56½	968.64
10 per cent fertilizer	42,860	.47½	203.58
20 per cent waste			
Total	342,880		1,995.12
Net total weight pay load requires:			
10 refrigerators loaded with	300,020		
1 box car loaded with	42,860		
Total pay load hauled	342,880		
Less excess mileage on 10 refrigerator cars, Chicago to New York, 1,000 miles each way, at 1 cent			200.00
			1,795.12
Weight 10 refrigerator cars [1]	550,000		
Ice 10 refrigerator cars	80,000		
Excess weight on returned refrigerator cars, 5,400 pounds each	54,000		
2,000 pounds ice left in returned refrigerator	20,000		
Weight fertilizer box car	35,000		
	1,081,880		
$1,795.12 net revenue for transportation 1,081,880 pounds, total of the finished product of 428,600 pounds live hogs, at 16.6 cents per hundredweight, it would require sixteen 36-foot stock cars loaded, 26,788 pounds each:			
Weight of stock car	31,000		
Bedding	2,000		
Load	26,788		
	59,788	.166	99.25
Less 10 per cent for raw materials			9.93
			89.32

[1] Weight of 10 refrigerator cars represents average weight of 10 Swift & Co. cars taken by myself at random in the Union Stock Yards, Chicago, November 10, 1930. The car numbers will be furnished on request.

The farmer is being overcharged $80.91 per car; 20 cents per hundredweight, or 40 cents per hog.

Swift & Co.'s iceman furnished the weight of ice used, which is 5,600 pounds in winter and 8,000 pounds in summer. The empty returned refrigerator car in winter has almost 5,600 pounds remaining in it and in summer from 4,000 to 6,000 pounds. I have been very conservative on the weight of ice.

EXHIBIT A

NEW YORK, *December 29, 1930.*

Hon. GERALD P. NYE,
United States Senator, Washington, D. C.

MY DEAR SENATOR: I desire to communicate to you certain information pertaining to conditions affecting the oil industry of this country which, in my opinion, require the immediate attention of some governmental agency in determining whether there exist practices in direct and flagrant violation of our Federal laws and whether some means can be found for the correction of evils existing within that industry. The observations made herein will, in the main, be general, but I shall presume some few specific charges with the advice that any inquiry toward the general direction of the matter will produce a volume of detailed information of specific nature and in substantiation of the charges made.

The oil industry, with its $12,000,000,000 capital investment, is generally considered the third in size of our major national industries. Its basic product, petroleum, is vitally essential to our present-day civilization. The industry, however, is unique in the sense that, possibly in greater measure than in any other, it is dominated and controlled in all its branches by a small group of large organizations directed by a mere handful of men. This group exercises, in direct violation of Federal law, a control and a manipulation of prices of both crude and refined oils as well as a control of the production of the crude product which is ruinous in the extreme to thousands of independent operators. Inquiry, in my opinion, will reveal it to be the most arbitrary, pernicious, unfair, and ruinous control ever exercised in the conduct of any American industry in the economic history of this country.

No other industry in this land is vested with such widespread power, extending through all the stages from production of the crude product to the point of actual delivery of the manufactured article to the consumer. We have, in our industry, an Oil Trust controlling in absolute fashion the rate of production and price of crude oil; it owns its own transportation system; it owns and controls the refining or manufacturing branch of the industry; and the vast distributing or marketing system is owned or controlled by it. Through the establishment of such machinery, a perfect vehicle has been created for regulating and manipulating

costs and prices in every one of the four branches, with the sole exception of the transportation branch, which the Government was forced to place under its own regulatory power. With this opportunity presented, the Oil Trust enforces, greatly to its own financial profit, a policy ruinous to thousands of independent operators of the industry and exceedingly and unnecessarily costly to the consuming public.

The most important independent group of operators and those owning the greatest amount of property and business not yet taken over by the few large controlling organizations are to be found in the production branch. This group includes both the independent oil producers and the land or royalty owners. A larger portion of the producing part of the business is independently owned than is the case in any other branch of the industry, and it is upon those so engaged that falls the full brunt of the unfair and illegal practices of the controlling organizations.

A few large integrated companies, dominating every branch of the industry, find it to their advantage to maintain crude-oil price below a fair cost of production while, at the same time, holding prices of gasoline and other refined products at such high levels as to create for those integrated companies the greatest of profits. Under conditions of terrific depression last year, for instance, when thousands of men in the oil fields were thrown out of employment and many producers were ruined financially, one of our large controlling corporations actually made the greatest financial profit ever realized in its history. The profits came from policies directly in violation of our Federal antitrust laws, both as regards concerted action in the case of every change in the price of crude oil and as regards combinations and agreements in restraint of trade to a point where independent competition was squelched and the properties of such independent competition were acquired through duress.

Control of prices of petroleum products is so effectively exercised as to reveal no true relationship at all between fluctuations in the prices of crude and refined oils. To illustrate this point a comparison of prices in the years 1926 and 1929 might be made. In February, 1926, the price of mid-continent crude oil averaged $2.04 per barrel. In February, 1929, the price was $1.20 per barrel. In 52 cities, selected at random and widely scattered throughout the United States, the price of gasoline averaged 18.09 cents per gallon in February, 1926, and 18.39 cents in February, 1929. Furthermore, in 1926 the refineries of the country recovered an average of 36 per cent gasoline from the average barrel of crude oil, whereas in 1929, due to new and improved methods of refining, the average recovery of gasoline was 44 per cent.

In February, 1926, therefore, refineries obtained 15.12 gallons of gasoline from one barrel of crude oil which cost $2.04, but in February, 1929, they obtained 18.48 gallons from a barrel costing $1.20. Refining costs did not increase, and if the price of crude oil had governed the price of gasoline, the average price of gasoline in the 52 cities in question should have been 10.6 cents instead of 18.39 cents per gallon. Out of a mass of data covering a number of years, fluctuations in the prices of crude oil and in those of gasoline have been analyzed for the purpose of ascertaining whether the price curves of crude oil and gasoline move in harmony with each other. While to the layman this would naturally seem to result, the oil industry knows that prices are so regulated as to nullify all precepts of the natural law of supply and demand and that they are not influenced by natural causes. On the other hand, prices are manipulated for the benefit of a few organizations to the detriment of a very substantial number within the industry and to the constant excessive cost to the public. Examination of records of many years proves conclusively that there exists general agreement among the principal oil-purchasing companies in the setting and regulating of crude-oil price changes, all of which are made in concert among the purchasers and usually within the short period of 48 hours. The last crude-oil price change has reduced the level to the lowest point in 14 years, and there exists to-day no such corresponding change in the price of refined products.

In addition to the destructive results arising out of price-fixing tactics on the part of the controlling organizations of the industry, a most vicious and devastating policy within the last two years has been evolved and forced upon the industry whereby combinations and agreements in restraint of trade and in violations of Federal laws have resulted in measures actually regulating the amounts of oil production allowed operators to produce from their properties. Under the guise of so-called "conservation" and with the tacit approval of some of our public officials and with actual illegal aid of others the dominating influences have, in violation of law, combined to restrict and curtail the production of oil and the movement of oil in interstate commerce. Backed by an elaborate propaganda system and supported by unlimited financial resources, this policy has been flaunted before the eyes of the American public in an attempt at justification. The country has been led to believe that we have had for years an overproduction of oil, whereas the fact remains that for the last 12 years we have had an underproduction of oil in this country. Between January 1, 1918, and January 1, 1930, for instance, the United States produced a total of 8,000,000,000 barrels of oil. Our markets consumed 8,600,000,000 barrels, or 600,000,000 barrels more than we produced. The importers of oil dumped into the country, however, in this same period 950,000,000 barrels of cheap foreign oil, or 350,000,000 barrels more than our market requirements. Such dumping has created in this country a condition of oversupply and is now being continued at a rate of something like 100,000,000 barrels annually by the same organizations which are making such capital from our so-called "overproduction" problem. This status of affairs naturally lends weight to the propaganda put forth to beguile the public into the belief that something must be done to curb the production of oil, and severe steps have been taken to force American oil producers to curtail the output of their wells to a point where ruination has forced many to sell their oil properties and where thousands of personnel have been thrown out of employment while the controlling organizations continue their importations at a rate in excess of one-quarter of a million barrels of foreign oil daily.

Curtailment or proration programs have been put into effect in the oil fields of this country, notably in the State of Oklahoma, comparable in their nature to extreme measures adopted by the most dictatorial powers in their rule over the most subservient of peoples. Agreements on the part of some organizations in combining to restrain trade and restrict production have forced many operating concerns to ruination by prohibiting them the freedom to produce and use their own oil from their own properties. At the behest of the controlling organizations the corporation commission of the State of Oklahoma has supinely consented to issue orders to all oil producers of the State prohibiting them from producing their oil. When independents have demanded hearings and have gone into the courts for relief from the corporation commission's orders, they have been confronted by the strange spectacle of the defense of an agency of a sovereign State being supported by the paid legal talent of the world's huge oil corporations. Naturally no relief has been had, although several court actions are now pending in cases where smaller independent organizations are fighting for their existences.

The way of the transgressor is hard, however, as is shown by a case just recently had in Oklahoma. One of our more substantial independent oil concerns, in an attempt to produce from its own properties oil it vitally needed for the supplying of its own customers in the proper carrying on of its own business, was, on this account and on complaint of an agency of the Oil Trust, haled before the State Corporation Commission of Oklahoma and in turn before the courts of the land to defend a demand for a receivership for its properties. So have freedom and equal opportunity in the conduct of our business given way to an oppression which ruthlessly throttles normal intercourse of trade and confiscates in pitiless and ruinous fashion the business and properties of those not already eliminated!

I make the following specific comments and formal charges, which I trust will find your sympathetic consideration in an attempt somehow to alleviate the evils mentioned:

On the 27th day of September, 1929, the Corporation Commission of Oklahoma, acting through its three members in cause No. 9625 before the said corporation commission, issued an order numbered 4823, which said order so made, issued and promulgated, attempted to establish rules and regulations with respect to the production of crude oil or crude petroleum in what is known as the East Earlsboro pool in Seminole County, Okla., and that said East Earlsboro pool, in the findings of the corporation commission, was and is described as section 24, township 9 north, range 5 east, and sections 7, 8, 17, 18, 19, and 20 township 9 north, range 6 east, all in Seminole County, Okla. A copy of said order is attached hereto, marked "Exhibit A," for the purpose of showing and informing you as to the scope of said order with respect to the restriction on the production of petroleum.

I further state that said corporation commission attempted to exercise jurisdiction in said matter under and by virtue of the constitution and laws of the State of Oklahoma, and that the jurisdiction and authority of the said corporation commission to make, issue, promulgate, and enforce said order was assumed by said corporation commission by virtue of a certain petition filed before the corporation commission on September 21, 1929, the said petition being one signed by an official of the Barnsdall Oil Co., a corporation owning leases in the East Earlsboro pool and under a portion of the lands hereinabove described. That a copy of said petition so filed is attached hereto and marked "Exhibit B," for the purpose of informing and showing to you the instrument which attempted to invoke the jurisdiction of the said corporation commission and under which it assumed jurisdiction and attempted to make, issue, and promulgate its order as aforesaid.

I further state that upon the filing of said petition by the Barnsdall Oil Co. the said corporation commission, on the 21st day of September, 1929, caused to be drawn, signed, and entered of record one certain notice, which said notice was published in the Oklahoma News, a newspaper published in the city of Oklahoma City, and that said notice was so published in said newspaper on the 23d, 24th, 25th, and 26th of September, 1929. A true copy of said notice is attached hereto, marked "Exhibit C," for the purpose of informing you as to the scope of said notice and as to the persons, firms, and corporations to whom said notice was directed. And I further state that said notice was served on a majority, if not all, of the persons, firms, and corporations named in said notice and named also in the petition filed in said cause by the Barnsdall Oil Co. as hereinabove set out, and that no other notice was made or published except as hereinabove set out and that no other persons were served with said notice except those persons, firms, and corporations named therein.

I further state that on the 15th day of October, 1929, the said Corporation Commission of Oklahoma, in cause No. 9653 before the said corporation commission, issued its order No. 4832, which

order so drawn, issued and promulgated, attempted to establish rules and regulations with respect to production of petroleum in what is known as the Oklahoma City East Earlsboro, Logan County, Allen Dome and Sasakwa pools and in the Pearson-St. Louis-Asher area and in all pools in the Greater Seminole area. That a copy of said order is attached hereto, marked Exhibit D, for the purpose of showing and informing yourself as to the scope of said order with respect to the restriction on the production of petroleum in said described areas.

I further state that the said corporation commission attempted to exercise jurisdiction in said matter under and by virtue of the constitution and laws of the State of Oklahoma and that the jurisdiction and authority of the corporation commission to make said order was assumed by it by virtue of a certain petition filed before the corporation commission on October 9, 1929, the said petition being one signed by Wirt Franklin, an owner of leases in the pools last above described and described in said petition and under a portion of the lands therein described and designated. That a copy of said petition so filed is attached hereto and marked Exhibit E, for the purpose of informing and showing to you the instrument under which the corporation commission assumed jurisdiction and issued its order as aforesaid. And I further state that attached to the said petition of Wirt Franklin, as Exhibit A to said petition, were maps and plats showing thereon the location of said lands and leases in the pools described in said petition and described in the said order issued on October 15, 1929. And that also attached to said petition was an Exhibit B, which was a list of persons, firms, partnerships, corporations, and associations who were lessees owning leases on the lands described in said pools and designated in said maps and plats; and that a true copy of what was Exhibit B to the said petition of Wirt Franklin is attached hereto and marked Exhibit Ee for the purpose of informing you as to the persons, firms, corporations, partnerships, and associations pretended to be complained against.

I further state that upon the filing of said petition by the said Wirt Franklin the said corporation commission, on the 9th day of October, 1929, caused to be drawn, signed, and entered of record one certain notice, which said notice I am informed, and believe, was published in the Daily Oklahoman of Oklahoma City, Okla., and in the Tulsa Daily World, of Tulsa, Okla., for four consecutive days. A true copy of said notice so issued on October 9, 1929, is attached hereto marked "Exhibit F," for the purpose of informing you as to the scope of said notice. I am informed, and believe, and therefore allege on information and belief, that said notice was not served on any of the persons named as the owners of leases in Exhibit B to the petition of said Wirt Franklin and that the notice was not served upon any person, firm, corporation, partnership, or association, personally.

The said corporation commission, by and through a so-called "umpire" and by and through agents, deputies, and employees and directed by said corporation commission and employed and directed by said umpire, are attempting to enforce both of the orders aforesaid and the said corporation commission has attempted to vest the said umpire with arbitrary powers with respect to the carrying out of said orders and that said orders are now being carried out with respect to proration and production of petroleum within said districts and areas as aforesaid.

No notice of either of the proceedings hereinabove described has been given to owners of properties affected; and it is not shown by the record of said proceedings that such owners are interested therein. No notice was given to any persons, firms, partnerships, associations, or corporations owning mineral rights and oil and gas royalties in and under the lands affected, nor were any such made parties thereto or shown by the record to be interested therein, save and except such named persons in the petitions and notices as were owners of oil and gas royalties in addition to owners of leases. I charge that all of the acts of the corporation commission and of the members thereof in issuing, making, and promulgating said orders, and all of the acts of said corporation commission and of members thereof and of the so-called "umpire" of the corporation commission and of the agents, employees, and deputies of said corporation commission and of said umpire, in attempting to enforce said orders, are null, void, and of no force and effect for the reason that various persons, firms, corporations, associations, and partnerships, for a long period of time prior to the making of said orders, had been the owners of mineral rights and oil and gas royalties in and under the lands hereinabove described and that they are still the owners thereof and that their said rights were purchased with knowledge of and subject to the oil and gas mining leases on the various lands above described, which said oil and gas mining leases were and are owned by the persons, firms, corporations, associations, and partnerships set forth in the petition filed on September 21, 1929, as aforesaid, and by those whose names are set forth in Exhibit B to the petition filed on October 9, 1929, as aforesaid: that the said corporation commission and the members thereof at all times knew that there were various owners of oil and gas royalties and owners of mineral rights in and under the lands affected, and knew that the said oil and gas mining leases which at all times were in full force and effect contained certain specific and implied obligations on the part of the lessees, who are the persons, firms, corporations, associations, and partnerships named and set forth in said petitions as aforesaid, and knew that by the legal effect of said leases as construed and judicially determined by the Supreme Court of the State of Oklahoma and by the United States courts within and for the State of Oklahoma, the said lessees were and are legally obligated, upon production being found in paying quantities on any of the leases, to continue the development thereof for the mutual benefit of the lessee and of the landowner and/or the owners of royalties and mineral rights in and under said lands.

I further charge that the said corporation commission, after attempting to assume jurisdiction of the matters set forth in the said petitions, presumed and attempted to issue its orders under the provisions of an act of the Legislature of Oklahoma which became effective on February 11, 1915, and which is found in sections 7954, 7956, and 7957 of the Compiled Oklahoma Statutes of 1921, which said statutes attempt to vest certain authority in the said corporation commission with respect to waste of petroleum; but I maintain that if said statutes attempt to authorize the making of the aforesaid orders that said statutes are in violation of the Constitution of the United States and void, and that said orders are of no force and effect for the reason that said statutes are in violation of section 10, Article 1, of the Constitution of the United States, in that said statutes and laws and the orders to be issued thereunder impair the obligation of contracts by attempting to authorize and direct and to vest power in a branch of the State government to issue orders which impair the obligations of the contracts of the various lessees with the owners of said lands and with the subsequent transferees and assignees of said lands and attempt to authorize and direct and to vest power in a branch of the State government to compel said lessees, under pain and penalties of the law, to disregard and abrogate their contractual obligations.

I allege that the said corporations, persons, firms, partnerships, and associations named and set forth in said orders and in said petitions, with the possible exception of a few of said persons, firms, partnerships, corporations, and associations, previous to the filing of said petitions before said corporation commission, had entered into a contract, combination, agreement, and confederation between and among themselves and with each other to limit the production of oil in the various pools, districts, and producing areas hereinabove set forth, in violation of the rights of other owners of royalties and mineral rights therein and thereunder; that said fact of said agreement, confederation, and combination was made known to the corporation commission and to the members thereof and that the members of said corporation commission, by their orders herein made, entered into said combination, agreement, confederation, and contract and became a part thereof and that said orders so made attempt to give official sanction and force of law to said contract, agreement, confederation, and combination, and that said agreement, contract, confederation, and combination so made as herein set forth was and is a violation of the laws of the United States, and particularly of the act of Congress of July 2, 1890 (ch. 647, 26 Stat. 209), commonly known as the Sherman Antitrust Act, and the amendments and supplements thereto, and of the act of October 15, 1914 (ch. 323, 38 Stat. 736), commonly known as the Clayton Act, in that said contract, combination, confederation, and agreement made by said persons, firms, corporations, partnerships, and associations aforesaid and joined in by the corporation commission is an unlawful and illegal restraint of interstate commerce in that the purpose and object of said contract, combination, confederation, and agreement was and is to limit and materially to affect interstate traffic, interstate commerce, and interstate dealings in petroleum oil, and that the effect of said unlawful combination, contract, agreement, and confederation and of said orders based thereon is to restrict, restrain, and limit interstate commerce in petroleum and its products and by-products and that all of said facts were known to the members of said corporation commission at all times herein set forth.

I further charge that the persons, firms, corporations, associations, and partnerships named and set forth in said petitions filed before the corporation commission and the exhibits thereto as aforesaid, with the possible exception of one corporation named in the first petition and of a very few of the persons, partnerships, associations, and corporations named in the second petition, had agreed with each other and had combined and confederated together and had effected an agreement and combination for the proration and restricting of the production of oil by the concerted action of all of said persons entering into said agreement, confederation, and combination, and that said agreements, confederation, and combination so entered into by and between and among said persons, corporations, partnerships, and associations had for its purpose and its object the restraining of and interfering with interstate commerce with the view and object of controlling the price of said crude oil and crude petroleum and its products and by-products; that said combination, confederation, and agreement was and is unlawful and was and is an unreasonable restraint of interstate commerce and that said persons, corporations, firms, associations, and partnerships were named as parties defendant in said petitions with the purpose and object, solely, of having it appear that there was an adverse controversy pending before the corporation commission, when in truth and in fact there was no controversy, but that all of said persons, corporations, associations, and partnerships named in said petitions, with the exceptions as hereinabove noted, were acting in concert and in conjunction with each other and were in absolute accord, and that the said petitions were filed for the purpose of having it appear that the restriction and proration thereafter to be put in force in accordance with the previous agreement, combination, and confederation was being done under guise and protection of law and under orders of the corporation commission; and I further charge that they are informed and believe and therefore allege on information and belief that the said corporation commission and the members thereof, at the times said orders were made by said corporation commission,

knew that such agreement had been made and entered into by, between, and among the persons, associations, corporations, and partnerships named in said petitions so filed as the basis of said orders.

I further state that for many years prior to the making of these orders, crude petroleum oil and its refined products have constituted a large percentage of the interstate commerce between the State of Oklahoma and surrounding States and foreign countries; that the areas described in said orders constitute one of the large producing oil fields of the United States; that the oil wells in said fields and pools so described in said orders are directly connected with interstate oil pipe lines, which are common carriers of oil under the statutes of the United States relating to interstate commerce and to interstate carriers; and that a large portion of said oil from said wells at all times since they have been drilled has flowed immediately from said wells into said pipe lines; and that said oil has become a continuous stream of interstate commerce through said pipe lines from said districts into many adjacent States and to other parts of the United States and to the seaboard; that in addition thereto, the railway and railroad lines traversing said section carry monthly many thousands of tank cars filled with petroleum and its products to all parts of the United States and to the seaboard for shipment to foreign countries; and that the production of petroleum in Oklahoma for many years has been largely and primarily for the purpose of transporting said oils in interstate commerce and of becoming an integral part of the interstate trade with the other States of the Union and with foreign countries. I further state that I am informed and believe and therefore allege on information and belief that for some time prior to the making of said orders the State of Oklahoma had produced approximately 27 per cent of the total production of oil in the United States, but that it had not consumed and used above 2½ per cent of the production in the United States, so that the State of Oklahoma had not used and consumed, as I am informed and believe, more than 10 per cent of the oil produced in said State, and that said consumption was of the products and by-products of crude oil after being refined. And I further say that I am informed and believe and therefore allege on information and belief that of the total production of oil in the State of Oklahoma, not to exceed 30 per cent thereof was refined in the State of Oklahoma, and that not to exceed one-third of that refined in the State of Oklahoma was consumed therein, so that of the oil produced in the State of Oklahoma, as I am informed and believe, more than 70 per cent thereof was shipped by oil pipe lines and by tank cars directly in interstate commerce in its crude or unrefined state, and that 20 per cent more of the total production was shipped into interstate commerce in its refined or manufactured state. I further say that the attempted proration made by the Corporation Commission under its said orders was attempted to be justified for the reason that there was an overproduction of oil in the United States; that the said corporation commission and the firms, corporations, persons, partnerships, and associations constituting the lessees in said areas and named in said petitions filed before the corporation commission and named in its said orders knew the facts set forth herein with respect to the magnitude of interstate commerce in petroleum oils produced in the State of Oklahoma, and knew the negligible percentage thereof actually consumed by the people of the State of Oklahoma.

I further state that many of the said corporations named in said orders and in said petitions as aforesaid either own pipeline companies which are interstate carriers and have been actually engaged in transporting oil from said restricted areas to other States of the Union by said pipe lines, or, as I am informed and believe and therefore allege on information and belief, they are affiliated with or connected with by and through common directorates, interlocking stock ownership or working agreements, such common carriers transporting oil by pipe line from said restricted areas, and that many of said corporations so named as aforesaid have under their control, management, and domination such pipeline companies transporting oil as common carriers from said districts.

I further state that petroleum oil has long been one of the largest constituent elements of interstate commerce between and among the several States of the Union and between the several States of the Union and foreign countries; that oil in the United States is found and produced principally in the States of Texas, Louisiana, Arkansas, Oklahoma, and Kansas in the South and Middle West, in Wyoming, Montana, and California in the western part of the United States, and in Illinois, Indiana, Ohio, Kentucky, West Virginia, Pennsylvania, and New York in the central and eastern portions of the United States, and that many of the States named do not produce sufficient oil for the needs of the citizens and industries of said States and that the citizens and the industries of the remaining States are dependent upon the oils from the producing States and that crude petroleum and its products and by-products are prime necessities in all parts of the United States and in foreign countries; and that the acts of the said corporation commission amount to an unreasonable and unlawful interference with and restraint of interstate commerce; that the production of petroleum oil in the United States for more than five years previous to the making of said orders was less than the consumption of crude oil by the people of the United States and that if there is an excess of oil in the United States in stocks on hand, in refineries, and in pipe lines that the excess came from and is attributable to importations of oil from foreign countries and not from an overproduction in the United States nor in the districts affected by said orders.

I further state that because of the dependence of the people of the United States for oil and its products from the few producing areas of the United States that any interference with the production of oil affects the price of oils in interstate commerce, restrains the free flow of commerce and diverts it from its natural channels, and checks, hinders, and impedes interstate commerce and interstate trades in oils, and affects the price thereof. And I further state that the purpose, intent, and effect of the illegal and unlawful combination, contract, and agreement as aforesaid, and the purpose, intent, and effect of the orders of the corporation commission, is to decrease production and to affect the price of oils in interstate commerce and in other portions of the Union where no oil is produced and whose citizens are dependent upon the oil-producing areas.

I further state that the acts of said corporation commission not only are wholly void and beyond the jurisdiction of the corporation commission to make because of the interference with interstate commerce, but that said acts are wholly void for the further reason that the corporation commission, without notice to persons, corporations, firms, partnerships, and associations affected, has attempted and now attempts to control the production of petroleum which is being produced under private contracts between private persons capable of contracting, and that the production of petroleum is a private enterprise arising from property privately owned and one over which neither the State of Oklahoma nor the corporation commission under the laws of the State of Oklahoma has any jurisdiction.

I further state that because of its ownership in minerals, oil and gas, and royalties, as aforesaid, many individuals and concerns are specially damaged in addition to and apart from the damage which they would suffer by being a part of the general public, in that said acts reduce the amount of oil to which they are entitled under their ownership and under their rights.

I further charge that the carrying out and execution of the orders aforesaid result in great damage to the property of many individuals and concerns in that petroleum, being of a fugitive character, is driven into parts of the oil sands not affected by the orders; that it places an unnatural pressure on the wells from which the oil is being produced; and that in addition to depriving many of such individuals and concerns of a large portion of their property and income to which they are entitled, it causes irreparable injury to the oil sands and to their properties; and I further state that at no time previous to the making of the orders was there any waste in said field by reason of the lack of transportation or marketing facilities; and that because of the void and illegal acts of the said corporation commission and their enforcement and execution many individuals and concerns have been, and will continue to be, irreparably injured and that they have no adequate remedy at law.

I further state that the acts of said corporation commission and the acts of its umpire, its deputies, servants, agents, and employees, in enforcing said orders, if carried out, will deprive many individuals and concerns of their property, without due process of law, in violation of the Constitution of the United States, and particularly of Article XIV thereof, being an amendment to the Constitution of the United States.

I further state that the said corporation commission had issued instructions for the execution and enforcement of said orders and that by and through its deputies, agents, and so-called umpires, it is enforcing said orders, and that it is hereby unreasonably and unlawfully interfering with interstate commerce in violation of the laws of the United States respecting interstate commerce and interstate trade and the acts of Congress hereinabove set forth, and that unless restrained the commission will continue to enforce said orders, all to the damage, detriment, and irreparable injury of many individuals and concerns.

I regret the length of my letter, but its contents are far too meager adequately to treat this situation—one, I assure you, sufficiently serious and of such growing vital importance as to demand the gravest attention of those who, like yourself, can grasp its real significance to the Nation.

With my highest considerations, I am,

Very respectfully yours,

J. EDWARD JONES.

INVESTIGATION OF PETROLEUM PRICES

Mr. NYE. Mr. President, in the study I have given to the problem confronting the independent oil operator I have been made to see how all important it is that there should be a thorough investigation of the charges which are being made so freely by independent operators—unfavorable charges, some of them.

I desire, out of order, to send to the desk a Senate resolution.

The PRESIDENT pro tempore. Unanimous request is required for its presentation. Without objection, consent is granted for the presentation of the resolution, which will be printed in the RECORD and go over under the rule.

The resolution (S. Res. 418) is as follows:

Resolved, That a special committee of five Senators shall be forthwith appointed by the Vice President and said committee is hereby authorized and instructed to investigate and report to the Senate as early as possible:

First. The cause or causes of the low price of crude oil in the United States and the margins between the price of crude oil and the selling price of the products of crude oil.

Second. Whether said conditions have resulted in whole or in part from any contract, combination, in the form of a trust or otherwise, or conspiracy in restraint of trade and commerce among the several States and Territories or with foreign countries.

Third. Whether said prices have been controlled, in whole or in part, by any corporation, joint-stock company, or corporate combination engaged in commerce among the several States and Territories or with foreign nations.

Fourth. Whether such corporation, joint-stock company, or corporate combination, in purchasing crude oil, gasoline, and other petroleum products, by any order or practice of discrimination, boycotts, black lists, or in any manner discriminates against any particular oil field.

Fifth. The organization, capitalization, profits, conduct and management of the business of such corporation or corporations, company or companies, and corporate combinations, if any.

Sixth. The stocks of crude oil, gasoline, and other petroleum products at refineries or elsewhere in the United States at the end of each year for the years 1928, 1929, and 1930, and the holders or owners thereof.

Seventh. Whether any combination, agreement, understanding, or other relationship exists between corporations, joint-stock companies, or combinations engaged in the oil industry and corporations, joint-stock companies, or combinations, engaged in the operation of pipe lines and local public utilities, and, if so, the effect of said relationship upon the production and sale of crude oil, gasoline, and other petroleum products in the United States.

Eighth. The profits of companies refining and marketing petroleum in the United States for the years 1928, 1929, and 1930, and the component elements of said profits.

Ninth. All other facts as bear upon the recent changes in price of crude oil, gasoline, or other petroleum products or upon any of the foregoing matters.

The said committee is hereby authorized to sit and perform its duties at such times and places as it deems necessary or proper and to require the attendance of witnesses by subpœnas or otherwise; to require the production of books, papers, and documents; to employ counsel, experts, and other assistants.

The chairman of the committee, or any member thereof, may administer oaths to witnesses and sign subpœnas for witnesses; and every person duly summoned before said committee, or any subcommittee thereof, who refuses or fails to obey the processes of said committee, or appears and refuses to answer questions pertinent to said investigation, shall be punished as prescribed by law.

Said committee is hereby specifically authorized to act through any subcommittee authorized to be appointed by said committee.

The expenses of said investigation shall be paid from the contingent fund of the Senate on vouchers of the committee or subcommittee, signed by the chairman and approved by the Committee to Audit and Control the Contingent Expenses of the Senate.

EXECUTIVE MESSAGES REFERRED

Messages from the President of the United States making nominations were referred to the appropriate committees.

FEDERAL LAND BANKS AND JOINT-STOCK LAND BANKS

Mr. JOHNSON obtained the floor.

Mr. FLETCHER. Mr. President——

Mr. JOHNSON. I yield to the Senator from Florida.

Mr. FLETCHER. I ask unanimous consent to report a resolution from the Committee on Banking and Currency, and I ask consent for its consideration. It merely calls for information from the Farm Loan Board which is needed in connection with bills that are pending with respect to amendments to the farm loan act. It will not take a minute.

Mr. McNARY. Mr. President, I intend later to move that the Senate adjourn. We will have a morning hour on Monday.

Mr. FLETCHER. This matter can be disposed of in a minute, and the board ought to get to work on it. We need the information. It will not take a minute.

Mr. McNARY. If it takes only 30 seconds, all right.

The PRESIDENT pro tempore. Without objection, the report will be received, and, for the information of the Senate, will be read.

The LEGISLATIVE CLERK. The Senator from Florida [Mr. FLETCHER] reports from the Committee on Banking and Currency Senate Resolution 393, requesting certain information of the Federal Farm Loan Board concerning Federal land banks and joint-stock land banks, with an amendment to strike out all after the word *"Resolved"* and insert in lieu thereof the following:

That the Federal Farm Loan Board is requested to submit to the Senate, as soon as practicable, the following information as of the most recent date for which it is available:

(1) By States, the number and amount of outstanding loans of Federal land banks and, by banks, the total number and amount of such loans;

(2) The number and amount of loans made by each bank in the calendar year 1929 and in the calendar year 1930;

(3) The total amount of bonds sold in the calendar year 1929 and the same during the calendar year 1930, and the terms thereof, whether sales were made at or above par and at what rate of interest;

(4) What is being done by the Federal Farm Loan Board and the Federal land banks to encourage the organization of national farm loan associations and the negotiation of loans, and give the attitude, and reasons therefor, toward applications for loans;

(5) A statement classifying the assets and liabilities of each Federal land bank, separating real estate from personal property;

(6) The total amount of delinquent installments in connection with outstanding loans of Federal land banks and the percentage of the total assets of the banks represented by such installments;

(7) The total carrying value of real estate acquired outright and subject to redemption, by foreclosure and otherwise, on hand December 31, 1929, and December 31, 1930;

(8) Total number and amount of sales of acquired real estate made by Federal land banks during the calendar years 1929 and 1930; and

(9) The number of joint stock land banks and their status, how many have been liquidated or discontinued, how many are in process of liquidation, and how many in operation; a statement classifying the assets and liabilities of the banks still in existence in a manner similar to that for Federal land banks.

The PRESIDENT pro tempore. Is there objection to the immediate consideration of the resolution? The Chair hears none, and the question is on agreeing to the amendment.

The amendment was agreed to.

The resolution as amended was agreed to.

ORDER FOR ADJOURNMENT

Mr. McNARY. Mr. President, I ask unanimous consent that when we conclude our work to-day we adjourn until 12 o'clock Monday.

The PRESIDENT pro tempore. Is there objection? The Chairs hears none, and it is so ordered.

METROPOLITAN LIFE INSURANCE CO.'S SURVEY OF UNEMPLOYMENT (S. DOC. NO. 260)

The PRESIDENT pro tempore laid before the Senate a communication from the chairman of the President's emergency committee for employment, transmitting, in response to Senate Resolution 409 (submitted by Mr. LA FOLLETTE and agreed to January 21, 1931), an employment survey recently made by the agents of the Metropolitan Life Insurance Co., which, with the accompanying papers and data, was ordered to lie on the table and to be printed.

MISSOURI RIVER BRIDGE AT OMAHA, NEBR.

Mr. HOWELL. I ask unanimous consent to submit a report from the Committee on Commerce.

The PRESIDENT pro tempore. Without objection, the report will be received.

Mr. HOWELL. From the Committee on Commerce, I report back favorably without amendment the bill (S. 4799) to extend the times for commencing and completing the construction of bridges across the Missouri River at or near Farnam Street, Omaha, Nebr., and at or near South Omaha, Nebr., and I submit a report (No. 1364) thereon. This is merely the extension of time for the construction of a bridge, and I ask for the immediate consideration of the bill.

There being no objection, the bill was considered, ordered to be engrossed for a third reading, read the third time, and passed, as follows:

Be it enacted, etc., That the times for commencing and completing the construction (a) of the bridge across the Missouri River at or near Farnam Street, Omaha, Nebr., authorized to be built by the Omaha-Council Bluffs Missouri River Bridge Board of Trustees by section 3 of the act of Congress approved June 10, 1930, and (b) of the bridge across the Missouri River at or near South Omaha, Nebr., authorized to be built by Charles B. Morearty, his heirs, legal representatives, and assigns, by section 4 of such act of June 10, 1930, are hereby extended in each case one and three years, respectively, from June 10, 1931.

SEC. 2. The right to alter, amend, or repeal this act is hereby expressly reserved.

PROHIBITION ENFORCEMENT IN THE DISTRICT OF COLUMBIA

The Senate resumed the consideration of the bill (S. 3344) supplementing the national prohibition act for the District of Columbia.

Mr. JOHNSON. Mr. President, I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Barkley	Copeland	Hatfield	Norris
Bingham	Couzens	Heflin	Nye
Black	Fess	Howell	Oddie
Blaine	Fletcher	Johnson	Partridge
Borah	Frazier	Jones	Robinson, Ark.
Bratton	George	Kendrick	Sheppard
Brookhart	Gillett	La Follette	Steiwer
Bulkley	Goldsborough	McGill	Trammell
Capper	Hale	McNary	Vandenberg
Carey	Hastings	Moses	Walsh, Mont.

The PRESIDENT pro tempore. Forty Senators having answered to their names, there is not a quorum present. The clerk will call the names of the absent Senators.

The Chief Clerk called the names of the absentees, and Mr. McKELLAR, Mr. McMASTER, Mr. METCALF, and Mr. WILLIAMSON answered to their names when called.

Mr. DALE and Mr. HARRIS entered the Chamber and answered to their names.

The PRESIDENT pro tempore. Forty-six Senators have answered to their names. There is not a quorum present.

Mr. McNARY. Mr. President, on account of the lateness of the hour it seems impossible to develop a quorum without delay, and I move that pursuant to the unanimous-consent agreement heretofore made the Senate adjourn.

The PRESIDENT pro tempore. The question is on agreeing to the motion of the Senator from Oregon.

The motion was agreed to; and the Senate (at 4 o'clock p. m.), under the unanimous-consent agreement previously entered into, adjourned until Monday, January 26, 1931, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate January 24 (legislative day of January 21), 1931

UNITED STATES DISTRICT JUDGES

Charles B. Kennamer, of Alabama, to be United States district judge, middle and northern districts of Alabama, to succeed Henry D. Clayton, deceased.

Thomas M. Kennerly, of Texas, to be United States district judge, southern district of Texas, to succeed Joseph C. Hutcheson, jr., appointed United States circuit judge, fifth circuit.

UNITED STATES MARSHAL

Harry S. Hubbard, of Porto Rico, to be United States marshal, district of Porto Rico. (He is now serving in this position under an appointment which expires February 4, 1931.)

APPOINTMENTS IN THE OFFICERS' RESERVE CORPS OF THE ARMY

GENERAL OFFICER

To be brigadier general, reserve

Brig. Gen. John Sylvester Thompson, New York National Guard, from January 23, 1931.

To be brigadier general, Ordnance Department Reserve

Benedict Crowell.

HOUSE OF REPRESENTATIVES

SATURDAY, JANUARY 24, 1931

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

Merciful Father, may this be a brief meeting place between God and us; listening, may we hear the secrets of Thy whisper and hasten on our errands of labor. Work in us, O God, developing the treasures of wisdom and knowledge, and thus fortifying us for the public service. Father of love, lift us toward the heights, so that we shall never permit critic or enemy to degrade our souls to the level of hate. Give us power to rise above obloquy, ingratitude, false charges, and even the loss of reputation. Help us to learn from life's lesson that the great world is a school and circumstances are educational, which work toward culture and refinement. In the name of Jesus our Savior. Amen.

The Journal of the proceedings of yesterday was read and approved.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Craven, its principal clerk, announced that the Senate had passed without amendment a bill of the House of the following title:

H. R. 15138. An act granting the consent of Congress to the State Highway Commission and the Board of Supervisors of Itawamba County, Miss., to construct a bridge across Tombigbee River at or near Fulton, Miss.

The message also announced that the Senate had passed with amendments, in which the concurrence of the House is requested, a bill of the House of the following title:

H. R. 15256. An act making appropriations for the Department of Agriculture for the fiscal year ending June 30, 1932, and for other purposes.

W. F. NASH

Mr. IRWIN. Mr. Speaker, by direction of the Committee on Claims, I ask unanimous consent to take from the Speaker's table the bill (H. R. 3159) for the relief of W. F. Nash, with a Senate amendment, and agree to the Senate amendment.

The SPEAKER. The gentleman from Illinois [Mr. IRWIN] asks unanimous consent to take from the Speaker's table the bill H. R. 3159, which the Clerk will report, together with the Senate amendment.

The Clerk read the title of the bill.

The Clerk read the amendment, as follows:

Page 1, line 6, strike out "$1,212.66" and insert "$897.40."

The SPEAKER. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Senate amendment was agreed to.

INDEPENDENT OFFICES APPROPRIATION BILL

Mr. SUMMERS of Washington. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the consideration of the bill (H. R. 16415) making appropriations for the Executive Office and sundry independent executive bureaus, boards, commissions, and offices for the fiscal year ending June 30, 1932, and for other purposes; and pending that motion I would like to have an agreement with the gentleman from Virginia [Mr. WOODRUM] in regard to the division of time for general debate.

Mr. WOODRUM. I suggest that we let the general debate run along through the day and try to conclude the general debate with the exception of the speeches on the bill to-day.

Mr. SUMMERS of Washington. There have been considerable requests for time. I hope we may be able to conclude general debate to-day.

Mr. WOODRUM. With the exception of the speeches on the bill?

Mr. SUMMERS of Washington. With the exception of speeches on the bill.

Mr. STAFFORD. Will the gentleman yield?

Mr. SUMMERS of Washington. I yield.

Mr. STAFFORD. Then it will be understood the bill will not be read to-day under the 5-minute rule?

Mr. SUMMERS of Washington. The bill will not be read to-day. Is it understood the time will be equally divided?

Mr. WOODRUM. That will be agreeable.

The SPEAKER. Pending the motion, the gentleman from Washington [Mr. SUMMERS] asks unanimous consent that general debate to-day be equally divided and controlled by the gentleman from Washington [Mr. SUMMERS] and the gentleman from Virginia [Mr. WOODRUM].

Is there objection?

There was no objection.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the consid-

eration of the bill H. R. 16415, the independent offices appropriation bill, with Mr. DOWELL in the chair.

The Clerk read the title of the bill.

Mr. SUMMERS of Washington. Mr. Chairman, I ask unanimous consent that the first reading of the bill be dispensed with.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

Mr. SUMMERS of Washington. Mr. Chairman, I yield myself 20 minutes.

Mr. Chairman and gentlemen, let me say that the chairman of this subcommittee, the gentleman from New Hampshire [Mr. WASON], unfortunately is confined to his apartment under the care of a physician on account of illness; but it is assumed that he will be able to come before the committee on Monday and make his presentation of the bill.

The independent offices appropriation bill is the largest appropriation bill that will come before the Congress this year. In fact, it is one of the largest, in gross amount, that has ever come before this or any other legislative body in peace times. This is due to the fact that it covers 39 activities of the Federal Government, including Veterans' Administration, which for the first time is all administered under one head.

The total amount of the bill is well beyond a billion dollars.

I invite your attention while I cover some of the important items in the bill.

The amount recommended to be appropriated in the accompanying bill for the fiscal year 1932 is $1,052,568,140, which sum compared with the regular annual and deficiency appropriations for 1931 and the estimates for 1932 is as follows:

It is $246,790,555 in excess of the total of the 1931 appropriations, and it is $2,790,050 less than the estimates submitted for 1932.

The outstanding increases for 1932 as compared with 1931 are as follows:

For the revolving fund, Federal Farm Board	$100,000,000
For the construction loan fund, Shipping Board	35,000,000
For the National Capital Park and Planning Commission (George Washington Memorial Parkway)	3,000,000

EXECUTIVE

The Executive Mansion and grounds are provided for in about the usual sums, there being an item for the purchase of furniture which is carried about every two years; also for reconstructing a tunnel which has become crowded because of the different pipes, wires, and so forth, that pass through this tunnel. Also an item is carried for a ventilating system for the East Room, where the public congregates in large numbers at functions at the White House and where the ventilation is quite insufficient. Under the Executive there is also carried for the naval oil reserve, California, an item of $60,000, estimated by the Budget for expense of legal proceedings to establish title of the United States to certain naval oil reserves (sections 16 and 36, township 30 south, range 23 east, Mount Diablo Meridian, within the exterior limits of naval reserve No. 1 in the State of California), $40,000 of which has been made immediately available.

BATTLE MONUMENTS COMMISSION

The Budget estimate of $304,250 for the American Battle Monuments Commission, which is $695,750 under the current appropriation, has been included in the bill. This work is progressing well and will be concluded during 1932.

Arlington Memorial Bridge Commission is given $1,000,000 for this project for the fiscal year 1932, which is in accordance with the building program originally outlined.

The sum appropriated includes an amount for the share of the Federal Government for the cost of widening and paving B Street NW., as provided in the approved project. The commission expects to have the bridge in complete readiness for use by February of 1932, and has reasonable prospects of being about to open it to the public during the latter part of the calendar year 1931.

MEDIATION

For the Board of Mediation, the net decrease of $11,075 for salaries, as recommended by the Budget, has been included in the bill. This decrease has been effected by the consolidation of office duties and the elimination of features of employment found to be unnecessary. They have also condensed their quarters.

The arbitration boards and emergency boards are provided for in an arbitrary sum, since they sometimes have work to do and other times do not. I invite the attention of the Members to the hearings covering the work of the Board of Mediation, which are very interesting.

TAX APPEALS

For the Board of Tax Appeals the Budget increase of $10,000 for salaries and expenses, which is included in the bill, is for the purpose of providing the members of the board with six legal assistants of grade 6, with salaries averaging from $5,600 to $6,400, in lieu of attorneys now serving in that capacity from lower grades. A higher type of legal assistants is desired by the board members, and the committee believes the importance of that work justifies the request. The appeals which come before this board run into very, very enormous sums, totaling more than $1,000,000,000 since the board has been in existence, and the average claims are about $22,000. So they are dealing with large sums involving the Treasury of the United States and the taxpayers of the United States.

EFFICIENCY

The Bureau of Efficiency has been proceeding to investigate and make helpful suggestions for many departments of the Federal Government, for the Philippine Islands, for the District of Columbia, and these are all set out in our hearings.

The Civil Service Commission brings in a very interesting report. Their work is constantly increasing and it has been necessary to allow them additional funds. At the present time fingerprints are taken of all persons appointed for positions in the Postal Service and in the law-enforcement service of the Government. These fingerprints are compared with those on record in the Department of Justice and in the localities from which the persons are appointed and have resulted in the separation from the service of substantial numbers of appointees who are found to have criminal records. The hearings along that line are very illuminating. The increase included in the bill has been given at the request of the Civil Service Commission with a view of extending the fingerprint service to all persons appointed in the Government service, whether at Washington or outside of the District of Columbia.

The Fine Arts Commission has passed on a very large number of building projects, memorials, medals, and so forth, during the past year.

Mr. HUDSON. Will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. HUDSON. Has the gentleman any figures showing the number of those separated from the civil service because of their criminal records?

Mr. SUMMERS of Washington. In the hearings the gentleman will find a statement as to the proportion of those who are selected for certain Federal positions under the civil service, and, to my great surprise, it has been found that 1 out of every 13 had a criminal record.

Mr. STAFFORD. If the gentleman will permit, what is included in the category of a criminal record? Is it merely some minor offense, a misdemeanor of a minor character, or the violation of the Jones law? Is it something of minor consequence, or is it a real major offense? One out of thirteen applicants is a tremendous proportion of those who apply for civil-service positions.

Mr. SUMMERS of Washington. Not all civil-service positions. I say for a certain class of positions. It would not be 1 out of every 13 applicants in the whole civil service. However, the testimony did not go into detail as to the character of offenses, but it was something that caused them to have a fingerprint record by which they were identified and compared.

Mr. STAFFORD. It is rather startling to find that 1 out of every 13 applicants in a certain service has had some kind of a criminal record.

Mr. SUMMERS of Washington. Will not the gentleman stand corrected? Not 1 out of 13 in the whole service, but 1 out of 13 who are selected for positions in a certain service.

Mr. STAFFORD. The gentleman's statement is that 1 out of 13 who make application for appointment in a certain service has had a criminal record. I can not conceive that 1 out of 13 has been guilty of the commission of any felonies. They may have been guilty of some minor infractions of the law, and I rose to inquire whether that 1 out of 13 referred to those who had committed real felonies or just some minor misdemeanors.

Mr. SUMMERS of Washington. In our hearings I find this:

I think I may call attention to the fact that we find practically, of those that we do fingerprint, 1 out of every 13 has a prison or jail record, and, of course, in that case they are canceled and not allowed to go into the service.

Mr. STAFFORD. Then those persons may have been guilty of the violation of some law and may have been sent to prison. It is startling to me that 1 out of every 13 applicants for appointment in a certain service has had a prison record.

Mr. SUMMERS of Washington. The Civil Service Commission says 1 out of 13 of those selected for law-enforcement and postal positions.

Mr. LEAVITT. Will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. LEAVITT. Is this application the gentleman is referring to an application for appointment in some particular service under the civil service or within the civil service generally?

Mr. SUMMERS of Washington. I understand that it applies to a particular branch of the service.

Mr. LEAVITT. What branch would that be?

Mr. SUMMERS of Washington. The postal and all law enforcement positions.

EMPLOYEES' COMPENSATION COMMISSION

The work of the Employees' Compensation Commission is extending. They have had more applications this year than in any previous year, and the members of the committee will bear in mind that they not only administer the Federal employees' compensation act, but also the longshoremen's act and the law applying to the employees of the District of Columbia.

Mr. LEAVITT. If the gentleman will permit, I am interested in following my question a little further. The gentleman has stated that in the branches under the civil service the records show that 1 out of every 13 applicants for admission to those services which have some character of law enforcement attached to them has some sort of police or prison record. Does the gentleman know what the policy of the Civil Service Commission is with regard to applications coming from applicants with a police or prison record? Do they admit them into the civil service with that kind of record?

Mr. SUMMERS of Washington. The testimony before the committee is that they do not.

There is an appropriation of $20,000 for the Federal Oil Conservation Board, following out the enactment of a law passed on January 14, 1925, the purpose, of which, of course, is the conservation of oil over the United States.

The appropriation for the Federal Power Commission totals $6,685 less than the amounts that were required for similar services administered by the different departments before the reorganization of the commission.

The Federal Radio Commission's work is increasing constantly and becoming more complex, and we have allowed for several additional technical men, such as technical engineers, high-class men, in order that justice may be done our own people in the United States and that we may keep in the closest international touch and be prepared to go into three international conventions that are coming on within a short time.

The work of the Federal Trade Commission is increasing constantly. Many resolutions passed by another body are increasing constantly the work of the Federal Trade Commission so that their work, instead of being more nearly current, is growing larger and with more ahead of them all the time. Two of the biggest investigations which they have been conducting during the past few years have been on chain stores and public utilities. We are not certain when these are going to be concluded.

A preliminary report on public utilities has already been submitted to the Senate, and I understand is to be published soon.

In regard to the chain stores, we were desirous of speeding up this work, and having in mind the attitude of the House last year, we made an investigation as to the progress they are making, and have included $150,000 more than was recommended by the Budget in order that they may go along in an orderly way, but speed up their work in investigation of the chain stores with a view to giving us a good deal of preliminary information by December 1 of this year and almost complete information by June of 1932.

The work of the General Accounting Office is interesting and extensive. You perhaps know that they preaudit or postaudit every voucher that is paid from the Treasury of the United States. Some of the departments are regularly requesting a preaudit, others are following the old system that has been in vogue for a long time of letting the vouchers come to the General Accounting Office for audit after the amount has been paid. Personally, it seems a preaudit, while it may delay payment a few days, is a very much more businesslike procedure, but not all the departments have asked for this, and, as I understand, not all of them are willing to proceed in that fashion.

There is an appropriation for the George Rogers Clark Sesquicentennial Memorial at Vincennes, Ind.

The CHAIRMAN. The gentleman from Washington has consumed 20 minutes.

Mr. SUMMERS of Washington. Mr. Chairman, I yield myself 10 additional minutes.

The George Washington Bicentennial Commission made a very interesting showing before our committee, and I would suggest that if Members desire information as to what is being done to carry the life of George Washington to every crossroads, to every school, to every club, and to every civic organization in the United States they will find the few pages in the hearings with reference to this work very interesting.

The Housing Corporation's activities have necessarily been reduced by the razing of the Government hotels in this city and by the sale of Government property at different places all over the United States that was administered by them. The committee has recommended a transfer of the remaining activities to the Department of Labor, to be under the supervision of the chief clerk of that department. This work, of course, has always been indirectly under the Labor Department.

The showing of the Interstate Commerce Commission is very interesting, but it would require more time than is at my disposal to tell you of it now.

We have reappropriated the amount previously appropriated and unexpended for the Mount Rushmore National Memorial Commission.

The Personnel Classification Board has introduced some interesting testimony, which I shall comment on later.

I want to say at this time that I have taken some little time in preparing an address on the work that is being done by the different activities of the Federal Government which are covered in this appropriation bill, not so much from a critical, financial angle as to give a general picture of those activities and something of their accomplishments, and this I shall insert in the RECORD at a later time. What I am giving now only comes to me because of the illness of my chairman.

Mr. MILLER. Can the gentleman state to us when he will submit that speech?

Mr. SUMMERS of Washington. I hope to do it on next Monday.

The National Advisory Committee for Aeronautics has presented most interesting scientific data as to the work that is being accomplished in behalf of aeronautics in the United States. If you read nothing else in our hearings, if you are interested in this great subject of aeronautics and its progress, you certainly will read this testimony.

The National Park Planning Commission receives $4,000,000 in this bill.

We have included in the bill for Porto Rico hurricane relief $1,000,000, loaned for the repair of roads destroyed by the hurricane.

Governor Roosevelt tells the committee that that will complete the surfacing of all insular highways and that this $1,000,000, with the loan of last year, will reduce the upkeep about $400,000 a year, which will give them an additional fund for constructing supplemental roads, school buildings, and things of that sort.

Public buildings and parks in the Capital are included in the bill for considerable sums.

The Smithsonian Institution furnishes some interesting testimony. Their activities are world-wide and well worth the reading in detail.

The work of the Tariff Commission has been very much increased since the enactment of the last tariff act. It was called upon under the flexible provision of the law of 1922 to make many investigations. Out of 37 formal reports that they made, the tariff was increased in 33 instances and decreased in 4 instances, and there are 13 reports in which no change was made in the tariff. This covers a great many more items than the number of reports would indicate, as in some instances one investigation covered a number of correlated subjects.

Mr. LEAVITT. Will the gentleman yield?

Mr. SUMMERS of Washington. I will.

Mr. LEAVITT. Will the gentleman in the extension of his remarks put in the items that were increased and those that were decreased?

Mr. SUMMERS of Washington. Yes; I will do that—not in these remarks, but in the remarks I am preparing, in which I am portraying to some extent the activities of the different bureaus.

Mr. RAMSEYER. Will the gentleman from Washington yield for a question?

Mr. SUMMERS of Washington. I will be glad to.

Mr. RAMSEYER. I have been going through the bill as the gentleman has been explaining the appropriations for the different independent offices. Under Tariff Commission you appropriate a lump sum without giving the salary of each commissioner. As to some of the other independent offices you state what the salaries of the officers are. In relation to the Tariff Commission you do not give the salary of the commissioners. Under Interstate Commerce Commission the bill specifically appropriates $12,000 for each commissioner.

I am wondering why in some instances you state specifically what each member of the board or the commission receives in the way of annual salary and in other instances where it is just as important and the salary likewise fixed by law you do not carry in the bill the annual salary.

Mr. SUMMERS of Washington. I am sure my friend knows that there is a definite salary for the officers in every instance, fixed by law in all cases, and in the breakdown as it comes from the Budget. They can not allocate to themselves salaries whether carried specifically in the bill or not.

Mr. RAMSEYER. I know that; but the question I am asking is, Why the committee in some cases recites what the annual salary is and in other cases they do not recite it?

Mr. SUMMERS of Washington. In some instances there have been recent changes in salaries because of reclassification and in others the salary is the same as it has been for many years.

Mr. RAMSEYER. I am not questioning that; but the law specifically fixes the salary of the members of the Tariff Commission—I think at $11,000 each—and specifically fixes the salary of the members of the Interstate Commerce Commission at $12,000 each. Now, under the appropriation for the Interstate Commerce Commission you state they shall receive $12,000 each, but when you come to the Tariff Commission you do not state that the salary shall be $11,000 each. I am wondering why the difference in the treatment.

Mr. WOODRUM. I think the difference is that the language comes down, as the gentleman may know, from the Bureau of the Budget, with a schedule showing exactly what the salaries are; and my recollection, without examining the bill, is that in each instance where the salary is fixed by law it is so set out in the bill, but in the other instances it is carried in a lump sum.

Mr. RAMSEYER. In the case of the Tariff Commission the salary is fixed by law but it is not carried in the bill in that way. In the case of the members of the Board of Tax Appeals the salaries are specifically fixed by law, yet you do not carry it that way.

Mr. SUMMERS of Washington. We will enter into a further discussion of that when reading the bill under the 5-minute rule.

A small appropriation is made for the United States Geographic Board each year for doing a very important work, and under the Shipping Board will be found an interesting analysis of their work, both in the hearings and also in the committee report.

For the United States Supreme Court Building the bill carries $4,250,000. The Veterans' Administration is the big item of the bill, totaling $866,012,732 for all veterans' activity. That, with $100,000,000 for the Farm Board, runs the total up to $966,000,000 plus, which covers a great part of the enormous sum included in the bill.

Mr. STAFFORD. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. Yes.

Mr. STAFFORD. I am particularly interested in the progress made by the successor to the former Board of Managers of the National Homes in the construction of two homes authorized by the last Congress, one to provide a new home in the Southeastern States and one in the Northwestern Pacific States.

Mr. SUMMERS of Washington. I have been informed that the committee having the selection of sites in charge made extended investigations in the South some time prior to the first of the year, and that a representative of that committee is in the Pacific Northwest inspecting sites at the present time.

Mr. STAFFORD. Do the hearings disclose a change of administration since the merger of the activity, as to the administration of these branch homes and the policy that should be pursued?

Mr. SUMMERS of Washington. The committee was informed that they have systematized the expenditures and itemized and estimated for the future more in detail for the homes than has been the practice in the past. Perhaps the gentleman has reference to how long former soldiers may be permitted to remain in the homes?

Mr. STAFFORD. I am seeking information as to the administrative board that now directs the policy of the homes, whether the old Board of Managers for National Homes still continues to direct the policy or has a new administrative board been substituted?

Mr. SUMMERS of Washington. I am not able to give the gentleman details in respect to that, as it was not brought out in the hearings.

Mr. STAFFORD. As I understand the gentleman, then, whereas before the Board of Managers of the National Branch Homes would select sites and be all powerful in the determination of everything pertaining to home management, now a committee has been appointed to select the sites and direct the policy?

Mr. SUMMERS of Washington. A committee selects sites. The Director of Veterans' Activities determines policies for operating the homes.

Mr. BRIGGS. Mr. Chairman, will the gentleman yield?

Mr. SUMMERS of Washington. Yes; I yield.

Mr. BRIGGS. Is the policy in vogue with reference to the establishment of these homes of just throwing them open to great sections of the country and practically inviting every part of that section of the country to come in

and submit appeals and offers therefor and then make the awards on the basis of the highest bidder, with some other considerations, instead of utilizing the Government's facilities to determine the site, and let a committee select where these homes ought to be located, and locating them there?

Mr. SUMMERS of Washington. The gentleman well knows that a committee starting from Washington would make more progress going into the South if they had 10 or 20 localities which the South itself thought were most desirable for these homes, offered to them as probable locations, than to simply go on their own account hunting at random for desirable locations.

Mr. BRIGGS. That may be true; and yet after bureau representatives get back with these 10 or 20 sites, then the whole thing is thrown open to the whole section of the country again, whether it is South, West, North, or East, and the expectations of everybody are raised, with a small chance, probably, of any number of such places being seriously considered or their expectations being realized to any extent. It seems to me absurd. The procedure entails useless expense, raises false hopes and expectations, and brings to Washington large delegations of people uselessly, for which there is no excuse. I do not think that is the intelligent way to deal with that question.

Mr. SUMMERS of Washington. By law we provided for one home to be established in the South and one in the Pacific Northwest, and while large delegations may have come from the South to present their claims, so far as I know, no delegation has come from the Pacific Northwest to present their claims, although I understand 15 or 20 towns have submitted statements as to the availability and desirability of sites they had to offer; and I think that no criticism lies against the soldiers' home committee if the communities themselves go to expense in the matter.

Mr. BRIGGS. That is not the point; whether they come or do not come; but after the bureau has conducted preliminary examinations and reduced the number of appropriate sites to a certain number of places, then to throw the whole thing open again as if everybody had an equal chance, when that can not be true, or be inclined to yield to the appeal of the highest bidders, instead of determining the question purely upon its merits, seems to me unjustifiable. What is the use of spending Government money, in the first place, to make extensive Government preliminary examinations, and then disregard or largely ignore them, if such a course is to be pursued?

Mr. SUMMERS of Washington. The gentleman probably has in mind something with which I am not familiar.

Mr. BRIGGS. I am referring to the policy.

Mr. SUMMERS of Washington. The policy carried out in the South does not seem to have been the same as that which is being carried out in the Pacific Northwest.

My contention is that the welfare of the disabled soldier who is to occupy the home shall have first consideration, then the Treasury of the United States, and that local contentions should not weigh very heavily in deciding these locations.

We might further discuss this later when this item is reached in the bill.

Mr. BRIGGS. I have seen in the papers a great deal of notoriety about occupants of the soldiers' homes being released now on a rather extensive scale.

Mr. SUMMERS of Washington. I understand there has been ordered some modification of that plan.

Mr. BRIGGS. It seems to me that in a time of particularly severe unemployment throughout the land that is accentuating the difficulties the Nation has to deal with.

Mr. SUMMERS of Washington. I am aware there has been some criticism along that line, and my understanding is the policy has been modified.

Mr. BRIGGS. It has been modified to correct that situation?

Mr. SUMMERS of Washington. Yes, sir.

Mr. PARKS. Will the gentleman yield?

Mr. SUMMERS of Washington. I yield.

Mr. PARKS. Is there anything in this bill that provides for the purchase of sites for buildings in Washington?

Mr. SUMMERS of Washington. There are several million dollars appropriated in this bill for different activities here that have been authorized by acts of Congress.

Mr. PARKS. I notice the bill carries more than a billion dollars, and it carries $4,000,000 for the Park Commission here. I notice in the press they are going to purchase the site of the Methodist Building.

Mr. SUMMERS of Washington. May I explain to the gentleman the amount carried for the Park Commission pertains to the so-called Capper-Cramton bill which passed Congress last year and is for the purchase of property up and down the Potomac River, both on the Maryland-District of Columbia side and on the Virginia side. As I understand, it is all to be repaid by the District of Columbia at a later time, and there is nothing in this bill with which to make purchases of property such as the site of the Methodist Building on Maryland Avenue. Does that answer the gentleman's question?

Mr. PARKS. Yes; that answers the question.

Mr. SUMMERS of Washington. In closing, let me say that General Hines reports that the consolidation of veterans' activities has resulted in a net saving of $3,137,421 for the first fiscal year. That is a very neat saving, if it does not, in some other way, result in greater expenditures a little later, as some of us fear it may.

Mr. Chairman, I yield back any remaining time.

Mr. WOODRUM. Mr. Chairman, I yield 40 minutes to the gentleman from Texas [Mr. Box].

Mr. BOX. Mr. Chairman and ladies and gentleman of the committee, I especially request that I be not interrupted while I am trying to present this matter.

Mr. PARKS. Before the gentleman states that, would the gentleman not prefer to have more of the Members present?

Mr. BOX. I would prefer not to have the Members called before I speak. I would be glad to have them here.

The CHAIRMAN. The gentleman from Texas [Mr. Box] is recognized for 40 minutes.

Mr. BOX. Mr. Chairman and gentlemen of the committee, reckoning only such bills as are worthy of attention, the amount of business urged upon the Congress is so great that many important questions do not get consideration, while many other items fail to receive the attention their importance demands. The business of the House Committee on Claims, if standing alone, even if seen as one group of a smaller number of important subjects handled by Congress, would be recognized as of great moment. This situation makes the work of committees assigned to the study and handling of specific questions more important, and, of course, imposes correspondingly greater responsibility on the membership of congressional committees.

For some 10 years the gentleman from Texas now speaking has served on the Committee on Claims, one of the older committees of the House, and one of the only two of its committees having the right to report appropriations. During much of that time he has been the senior Democrat on that committee, and during all of the period mentioned has given attention to its work. The time now available will be used in an effort to present to the House and embody in the record some of the many important features of the work of that committee. This effort is prompted by the same purpose which has guided this Member in his efforts to serve the Congress, the Nation, and those of its people having just demands referred to that committee.

The importance of that work and the opportunity it affords to the membership of that committee for substantial service are such that solid and worthy members who are moved by a desire to render service should seek to be assigned to that committee. During the life of a Congress 1,500 to 2,000 bills are referred by the House to us for investigation and report, with the necessary appropriations in proper cases. Many of these bills involve hundreds of thousands of dollars, and some of them many millions of dollars. The claims of lowly and weak citizens and the

demands of the financially and politically powerful are mingled among them.

These remarks will be restricted to four phases of the work of that committee, chiefly because the time is limited.

FRENCH SPOLIATION CLAIMS

During several years of my service a group of claims, originating prior to the 30th day of September, 1800, some months before the beginning of the administration of President Jefferson, were actively urged upon your committee. These claims were not provided for, but were excluded from, the groups of claims covered by our treaties with France on the subject of spoliation claims against France concluded April 30, 1803. The treaty with Spain relating to spoliation claims, concluded February 22, 1819, and the treaty with France concluded July 4, 1831.

The funds made available under those treaties were promptly and in good faith expended toward the settlement of demands for which those treaties and the payments under them made provision. As stated, that purpose did not include any of the claims now being discussed. For good reasons, which the careful student will find, they were never included in any claim settlement between the United States and France or any other country. Our Government did not waive them or trade them off.

Some 50 years after the transactions involved in these claims, Congress, apparently for the first time, passed a bill providing for their payment. Of course, that was long after the death of every public man familiar with the diplomatic negotiations and conditions out of which they grew. President Polk vetoed it. Some years afterwards President Pierce vetoed a similar bill. Some 40 years later the claimants were able to get such a bill through Congress again, which was vetoed by President Cleveland, whose veto message is convincing.

Apparently the first President to recommend their payment was President Arthur some 80 years after their origin. During subsequent administrations several millions of dollars were paid on them, which seemed to have little effect in reducing them. Later President Coolidge mildly recommended their payment. I have failed to discover any evidence that either of the Presidents who spoke about them a century more or less after their origin ever had an opportunity to investigate the alleged facts on which they are based, but I do find that no Congress and no President of or near the generation of the elder Adams or Washington, during which these transactions occurred, ever recommended their payment.

The situation created by these and other facts and their urgent presentation during my own service in Congress and on this committee suggested that I should give them more than a cursory examination. After devoting considerable time to them during one or more sessions of Congress, I gave almost all of a vacation of several months to an examination of diplomatic correspondence, treaties, presidential messages, debates in Congress, and the records of judicial ascertainment, covering a period of about 130 years of our history. This included inquiries into the facts relating to the treaties with France and with Spain pertaining to claims of every class, an ascertainment of the amounts realized under these treaties, and their distribution among the claimants found entitled to participate in them. That part of the investigation made it clear beyond question that in neither of these instances had the United States received or held money for these claimants. Of course, the Government had not wrongfully failed to pay trust funds to the beneficiaries for whom they were received or held. After that study was made, the gentleman from Texas prepared an abbreviated review of the facts and contentions pertinent to these claims which he presented to this House in time allowed for the purpose.

Mr. Chairman, I now ask that for the use of the Members of this and any other Congress who may care to examine it, I may insert as a part of these remarks the statement then made to the House.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

FRENCH SPOLIATION CLAIMS—125 YEARS OLD

[In the House of Representatives, Friday, April 30, 1926]

The SPEAKER. Under the order of the House the Chair recognizes the gentleman from Texas [Mr. Box] for one hour.

Mr. BOX. Mr. Speaker and gentlemen of the House, there has been pending before Congress for many years a group of private claims called the French spoliation claims. They are pending in one branch of Congress now, and sooner or later probably will be presented to this House. I doubt if there will be a favorable report on them by the Committee on Claims at this session, but they may come before the House. The amount involved is large and their disposition involves questions so important that I wish to have the attention of the House while I undertake to present some considerations bearing on what should be the attitude of the Committee on Claims and of the House toward these claims.

The printed matter pertaining to these claims would fill several large volumes. They and others controlled by the same considerations amount to millions of dollars. The transactions involved are interwoven with many years of naval, diplomatic, and legislative history, an understanding of which is necessary to a correct conclusion concerning the claims. A speaker with better powers of analysis and statement than mine would need several hours to properly present them. Having but a fraction of the needed time, I ask, in the interest of their proper consideration, that I be not interrupted until I shall have finished a general view of the questions involved.

ORIGIN AND HISTORY

It is not claimed that the United States committed the depredations or did the wrongs out of which these claims grew. They originated in spoliations committed by France prior to the 30th day of September, 1800. Though the young Nation protested, at that time it was not able to prevent the depredations; nor was it strong enough to force the wrongdoers to pay for them. The youngest of the claims is more than 125 years old.

We have had many claims of various kinds against France, England, Spain, and other nations, including Germany. When the holders of such claims fail to collect them from foreign countries, they often find a pretext for trying to collect them from their own Government.

That was true of the claims against Spain. It is the case here now and will almost certainly develop in connection with claims our nationals now have against Germany.

Great as are these claims in number and amount, and difficult as it is to give an accurate description applicable to all of them, they can, in a measure, be segregated from a still greater mass of French spoliation claims by remembering they are not the spoliation claims covered by our treaty of 1803 with France; nor are they the spoliation claims paid wholly or in part under our treaty with Spain in 1819, which grew out of the acts of France. Neither are they those wholly or in part paid under our treaty of 1831 with France.

These claims arose from alleged detentions, captures, condemnations, and confiscations committed by France prior to September 30, 1800. They are included in the act of January 20, 1885, making a kind of limited reference of certain unestablished French spoliation claims to the Court of Claims under a restriction reciting that the United States was not committing itself to their payment. That act contained, among other restrictions, the following:

"*Provided*, That the provisions of this act shall not extend to such claims as were embraced in the convention between the United States and the French Republic concluded on the 30th day of April, 1803.

"Nor to such claims growing out of the acts of France as were allowed and paid, in whole or in part, under the provisions of the treaty between the United States and Spain concluded on the 22d day of February, 1819.

"Nor to such claims as were allowed, in whole or in part, under the provisions of the treaty between the United States and France concluded on the 4th day of July, 1831. * * *"

They have become so old, because the Government has, in the face of insidious, powerful, and determined insistence, extending through more than a century and a quarter, never committed itself to their payment. In opposing them I unworthily represent the views which have prevailed with our Government for a century and a quarter. It is true that some like them were paid 20 or 30 years ago under amendments to bills put on in the last days of the sessions by the Senate and inserted in conference reports by Senate conferees, usually over the opposition of House conferees; but this was done after all the men who knew the facts concerning them had passed from the stage, the remote descendants of the claimants or their assignees had time to create much tradition, and three or four generations of statesmen had come to flounder with the uncertainties involved.

In the haze of this remote time, facts, uncertain and controverted from the first, have become more confused. Self-serving propaganda and tradition have caused much fiction to sound like fact and made to appear plausible what was originally so plainly wrong that it was rejected by the generations of statesmen who, during 80 years, heard and denied the claims.

Since it is not pretended that the United States, or anyone in its service, or by its authority, committed the spoils com-

plained of, it is plain that no moral or equitable obligation to pay them rests upon the Nation, unless it has in some way brought that obligation upon itself since the claims originated.

THEIR CONSIDERATION BY THE COURT OF CLAIMS

It is urged that since these demands have been referred to the Court of Claims for consideration, the question of their merit has been settled and the duty of the Government to pay them adjudicated; that by referring them to the Court of Claims the Government committed itself to their payment, if the report should advise favorably. If that contention is sound, those who resist their payment now and those who have refused payment for the last 40 years since they were referred to that court are and have been wrong.

They were referred in a restricted, noncommittal way to the Court of Claims 41 years ago, and yet these claims, and probably many others, remain unpaid. These, or some of them, were before this House 15 years ago, when the Committee on Claims determined against their validity and reported a committee amendment striking them from an omnibus claims bill in which the Senate had inserted them. After a thorough discussion in this House on February 18 and 19, 1911, on motion of Mr. Mann, of Illinois, carried by a vote of more than 2 to 1, the enacting clause was stricken from the bill on which the Senate had placed them. Hon. Claude Kitchin, the ranking minority member of the Committee on Claims, and Hon. James R. Mann, majority leader, led in the opposition to their payment. Neither they nor the House felt bound by the advisory report of the Court of Claims.

The act of January 20, 1885, referring them to the Court of Claims made that court as to them a kind of special master, whose report was to be only advisory for Congress. They were not examined under that court's general jurisdiction. This House has repeatedly refused to recognize the validity of these claims since then.

Discussing this class of claims the Supreme Court of the District of Columbia in Gardner *v.* Clarke (20 D. C. Reports (9 Mackey, 267)) said:

"Congress submitted these claims to the Court of Claims for its advice as to the law and the facts, but expressly reserved the right to follow or disregard the court's advice as they might think proper. And that Congress declined to follow the advice of the court, to its full extent, is perfectly apparent."

During all of the last 20 years the Government has refused to pay them, just as it rejected them during the 90 years up to when President Arthur became the first President to recommend their payment.

Eleven years after their reference President Cleveland vetoed a bunch of them, which had been submitted and reported favorably in the same manner, thereby showing that he did not feel bound by the court's recommendations and Congress refused to pass them over his veto. As a result of efforts made at hundreds of sessions since their origin, and scores of sessions since their reference, four bills providing for some of them were attached to other bills by the Senate and skidded through the House in the congestion and confusion of the closing days and hours of sessions, when consideration of them was impossible. This was done March 3, 1891, March 1, 1899, May 20, 1902, and February 24, 1905. Three of these acts, as well as the act of limited reference in 1885, were passed by hold-over sessions of the House, that is, the sessions held after the general election and in the expiring days of Congress. In none of these cases was there any fair opportunity for the House to pass on the merits of them. In all of the other several instances, when the House acted after their reference having a chance to review them, it refused to approve the advisory findings of the Court of Claims. Therefore, when we treat them, not as judgments but as open for full consideration on their merits, we are only doing what has usually been done by the House when it had a chance to know what it was doing.

The very terms of the act of reference stipulate that the reports should be only advisory.

The Court of Claims and the Supreme Court have both so held. The language of Chief Justice Fuller in speaking of them is:

"These advisory conclusions having been reported to Congress—"

And so forth.

The Court of Claims said in the case of the ship *Concord* (27 Cls. Rept. 142):

"The reports in spoliation cases are not judgments and are to be taken as merely advisory."

In the case of Blagge *v.* Balch (162 U. S. 439) the unanimous opinion of the Supreme Court, expressed by Chief Justice Fuller, declares that—

"The claims were allowed to be brought before the Court of Claims, but that court was not permitted to go to judgment. (162 U. S. 457, 40 L. Ed. 1016.)"

The same thing has been held by other courts. See Gardner *v.* Clarke (9 Mackey (20 D. C. Reports), pp. 266, 269).

Under the general jurisdiction of the Court of Claims the United States always has, and the claimants in many cases have, a right of appeal to the Supreme Court. (Sec. 107, Rev. Stat.) No right of appeal to the Supreme Court was given in these cases. Appeal is to Congress, and Congress is now considering the question upon its merits throughout, just as contemplated by the limited act of reference.

In the Gray case, the first and leading case before it, the Court of Claims said:

"So peculiar a jurisdiction was probably never before conferred upon a strictly judicial tribunal. (Gray, administrator, *v.* U. S., French Spoliation Opinions, p. 27.)"

The court in that case declared:

"That the defendants, as well as the claimants, have reserved to them an appeal not in regular line of judicial procedure to the Supreme Court of the United States but back again to that body"—

Meaning Congress.

That the advisory reports made by the Court of Claims are not binding upon Congress is shown by its actions for the last 20 years, during which it has declined to pay them, and by the action of President Cleveland in 1896 in vetoing an appropriation bill on which they had been attached near the end of the session. The same is shown by the statement of the Supreme Court that the reports are merely advisory, and by the statement of that court and the Court of Claims that these findings are not judgments, the declaration of the Court of Claims that the appeal lies to Congress rather than to the Supreme Court, where appeals from that court usually go, and its declaration that such an arrangement is peculiar. The language of the act of reference makes this plain, saying:

"Such findings and report of the court shall be taken to be merely advisory as to the law and facts found and shall not conclude either the claimant or Congress * * * and nothing in this act shall be construed as committing the United States to the payment of any such claims."

Nothing could more explicitly state that the United States was not to be bound by the report of the Court of Claims. It was contemplated and carefully stated that it was making no commitment to pay them. The whole question as to the existence of an obligation of the United States to pay them is open to Congress. This makes it our duty to examine them.

HAS THE UNITED STATES COLLECTED OR HELD ANY MONEY FOR CLAIMANTS OF THIS CLASS?

It has been blandly asserted that the United States, having collected from France money with which to settle these claims, has refused to settle them. There is no foundation for that statement; and though I have read of the discussion of these claims covering a period of 100 years, more or less, I do not remember to have ever seen it in print or in reports, arguments, or the CONGRESSIONAL RECORD until recently. I repeat that it is incorrect.

Payments were made out of the purchase price of Louisiana under the treaty of 1803, but claims dealt with in that treaty are expressly excluded from the claims now being dealt with by the act of January 20, 1885, undertaking to segregate these claims for the purpose of dealing with them. Moreover, all of the $3,750,000 out of the purchase price of Louisiana which the United States retained to be applied to claims of American citizens against France, except a trifling remnant of some $11,000, or less than three-tenths of 1 per cent of it, was paid out to claimants. (See the History of the Public Debt Report of the Tenth Census, 1880, dealing with the public debt of the United States, pp. 83 and 84.)

The next batch of French spoliation claims for which collection was made amounted to some $5,000,000. Spain had participated with France in these spoliations to such an extent that the United States held her responsible for damages in that amount and collected that sum as the purchase price of Florida. None of the claims now in question were covered by the Florida purchase treaty, which is shown by the clause in the act of January 20, 1885, expressly so declaring. Moreover, the funds made available by that transaction were paid to claimants whose rights had first been determined by a commission set up for the purpose.

Claimants received 91⅔ per cent of the principal of their claims, interest excluded, because the money would go no further. (See American State Papers, Foreign Relations, pp. 798 and 799.) That adjudication and settlement barred all further demand on those claims. (1 Peters 212.)

Mr. GARBER. Those amounts were assumed as voluntary contracts, were they not?

Mr. BOX. Yes; those amounts were and have been distributed.

When we come to the spoliations treaty between the United States and France, concluded on the 4th day of July, 1831, we find that that settlement was made for a group of claims from which these are excluded as expressly provided in the act of January 20, 1885. These claims were adjudicated by a commission set up under the act of July 13, 1832, which created the commission for the purpose, appropriated for them and ordered payment made. (See 4 U. S. Stat. L. 474–475, secs. 6 and 7.)

These three sets of claims thus far discussed are all excluded under the act of January 20, 1885, from the claims now being considered, and all the money, unless it be some utterly insignificant dribbles of remnants, made available by these treaties has been distributed by the United States Government, as in decency and good faith it would, of course, have done.

The only class of French spoliation claims outside of these three groups thus described are those of the class now being dealt with. They are the ones described in the act of 1885 and which I tried to describe at the beginning of my statement.

In all of the history of the country extending from our Declaration of Independence for a period of 75 years there were only these four groups—the three mentioned in the three treaties to which I have referred, and this group not covered by these treaties, excluded from them and described in the act of January 20, 1885. But there have been no payments or provisions made for claims by France outside of the three treaties mentioned. Therefore, there have been none for this group of claims.

In dealing with the same class of French spoliation claims with which we are dealing now, the Supreme Court of the District of Columbia, in 9 Mackey (20 D. C. Reports), page 267, said:

"The United States did not receive any money to be applied to these claims of its injured citizens and did not stipulate, as in the treaty with Spain, to assume and pay the claims. * * *"

This recital that the United States neither made a collection on this particular group of claims nor assumed to pay them is correct. It will be verified by any competent inquirer who takes upon himself the labor to wade through the vast literature of the history of these transactions and learn the truth.

HAVE THEY A RIGHT TO PAYMENT ON ANY OTHER GROUND?

As the spoliations were committed by France in spite of the protest of our Government, those who urge Congress to pay them have the burden of showing that the United States has taken that obligation upon itself. In all that I have heard and read, pro and con, only four grounds have been mentioned as bases for a claim of national liability for this damage. One is that the United States has collected the money and dishonestly withheld it. This I have shown to be untrue. Another is approvingly quoted by the Court of Claims in the Gray case cited above, which cited a British House of Lords' opinion, in which it is said:

"That if the subject of a country is spoliated by a foreign government, he is entitled to redress through the means of his own government. But if from weakness, timidity, or any other cause on the part of his own government no redress is obtained from the foreign one, then he has a claim against his own country. (De Bode *v.* The Queen, 3 Clark's House of Lords, p. 464.)"

This is not the only ground, nor does it appear to be the principal one relied upon, but this proposition is often cited in support of these demands. It is that the mere failure of a government to collect just claims of its nationals against a foreign government makes it liable for the claims. That would make the United States owe these claims, because it did not compel France to pay them. If this doctrine is accepted by Congress, the United States must pay all just claims of its nationals against other countries where it fails to make the foreign governments pay them. That would make the Nation liable on all just claims by our oil companies and other nationals against Mexico unless we compel Mexico to pay them.

If a country repudiated its obligations or destroyed its government, as Russia did, the United States would be liable on all claims of its nationals against such a government. Under this doctrine, where a country violated the peace of the world and overwhelmed itself with just indemnities, as Germany did, the United States would either have to collect them regardless of the disturbance of world peace and like consequences, or be itself bound to pay them.

Here let me remark that in my judgment preparations are now being made for the ultimate presentation of claims against Germany for spoliations committed against American nationals before the war.

It often happens that a nation becomes involved in internal and external disturbances for a long period, like France had from 1775 to 1815, during which it would have an accumulation of indemnity claims which it could not pay. France pleaded that very defense against some of our demands such as these. Germany created enough indemnity demands against her to make their payment impossible. Does a little country like Belgium, which can not force payment, or a new and comparatively weak one, like the United States was during the first 25 years of its career, become liable for any or all the outrageous wrongs committed against its commerce by its inability to prevent them or to compel compensation for them?

This proposition is unsound, because it would lay upon weaker countries damages done by other stronger ones to its nationals. It is a dangerous doctrine for this House to seem to tolerate now, because it would pave the way for a demand that we pay for Germany's injuries to American nationals, including insurance companies, whose risk and liabilities were increased by German depredations. The property of German nationals is held by our Alien Property Custodian. If we should conclude to surrender that property to German nationals, notwithstanding the treaty under which it is held, our successors here will be troubled by these German claims, amounting to hundreds of millions of dollars, for the next century and a quarter.

Feeling sure that this House will not accept liability for these claims on this ground, I pass to other grounds urged in their favor.

When these claims were before the Senate Committee on Claims in 1924 it was stated—

"We in the treaty of 1800 arrived at this conclusion, that the United States would relieve France of her obligations to our citizens; in other words, that we would take those obligations to our citizens upon our own shoulders." (Senate hearings, 1924, p. 2.)

This was repeated inferentially in the statement that the claims—

"* * * had been assumed by the United States Government, which agreed to pay it." (Senate hearings, 1924, p. 5.)

The gentleman from Oregon [Mr. HAWLEY] recently made the same statement on this floor.

These and many similar things indicating that the United States had entered into some treaty obligation to discharge these claims have been said by the advocates of their payment, but the United States made no such agreement.

Mr. DENISON. Mr. Speaker, will the gentleman yield?

Mr. BOX. I would like to yield to the gentleman, but I will ask him to excuse me. I shall be glad to yield later on if I have the time.

The United States did agree with Spain in 1819 to apply certain moneys which it was paying to Spain for Florida to the satisfaction of some of Spain's obligations to our citizens on account of French spoliations. It agreed with France in 1803 to apply some of the money which France was receiving for Louisiana to the payment of certain French spoliation claims held by our citizens, but the United States entered into no treaty stipulation for the payment of any of the claims now before us. It is difficult to argue a negative proposition, but if some gentleman will find and present to me or to the House a treaty stipulation obligating the United States to pay any of the claims of this class, I will withdraw my opposition and enter in the RECORD a confession of my error.

I do not know how, in such an event, I would account for the fact that during all of the first 85 years following the treaty of 1800 none of our illustrious Presidents, all of whom—especially all of the earlier ones—knew all those conditions and knew what our treaties were concerning them, but nevertheless failed to recommend to Congress the making of appropriations and other provisions for the payment of these claims. It would be, in fact, an outstanding, regrettable national repudiation of an obligation under conditions which have many times permitted payment. It would be a dishonorable and deeply humiliating blot on the records of a long line of great men, including many of our best, and on the Government during a period of more than 80 years, if such a treaty has existed and has been disregarded to the injury of our citizens. There was and is no such treaty stipulation.

The only argument for the payment of these claims worthy of consideration is that an obligation is raised by implication from what was done. An implied obligation is just as much a legal obligation as a written one. It is just as binding in courts and upon the consciences of honorable men. If there is a reasonably, plainly implied obligation to pay these claims, it should bind us, because an implied obligation rests as much upon right as any written agreement.

Before discussing the grounds on which men have sought to base an obligation, I want to read what the Supreme Court of the United States, to which no appeal of these cases was permitted, has said about them in a case which went before it in a totally different proceeding, but in which they found it necessary to consider the foundation of these claims, because some of the funds then in litigation were involved in questions depending on the grounds of these claims. Chief Justice Fuller, speaking for the whole court in Blagg *v.* Balch (162 U. S. 457), said:

"It is important in arriving at a conclusion (on the question then before the court) to refer to the view taken by Congress in respect of the ground of the appropriations as indicated by its action.

"Notwithstanding repeated attempts at legislation, acts in two instances being defeated by the interposition of a veto, no bill had become a law during more than 80 years which recognized an obligation to indemnify arising out of the treaty of 1800, and the history of the controversy shows that there was a difference of opinion as to the effect of that treaty. * * * Under the act of January 20, 1885, the claims were allowed to be brought before the Court of Claims, but the court was not permitted to go to judgment. The legislative department reserved the final determination in regard to them itself, and carefully guarded against any committal of the United States to their payment. And by the act of March 3, 1891, a payment was only to be made according to the proviso. We think that payments thus prescribed to be made were purposely brought within the category of payments by way of gratuity, payments as of grace and not of right."

If our treaty of 1800 created an implied obligation on the United States to pay these claims, it was a matter of right; in such event the claimants had a right to payment, but the Supreme Court unanimously held that they had no such right.

But let us look at the facts on which it is attempted to base this implied obligation. The time at my disposal will permit but a brief view.

The treaty with France of September 30, 1800, ratified and proclaimed December 21, 1801, is the only one about which there can be any controversy. We had treaties with France made in 1787 which France claimed we had broken. That nation had conducted a war against our Navy and commerce against which we interposed a defensive war, in which we made many captures of French vessels and other property. The United States had claims against France on its own national account and on account of its citizens. France had the same two classes of claims against the United States. Diplomatic relations between the two countries had been severed. Congress, with the approval of the President, canceled our treaties with France and authorized war on the French Navy and commerce. (Acts July 7 and 9, 1798.) It began the organization of an army and made General Washington lieutenant general and commander in chief. In speaking of one of these measures, Edward Livingston, who opposed it, said:

"Let no man flatter himself that the vote which has been given is not a declaration of war. Gentlemen know that this is the case. (Gray case, p. 44.)"

There was mutual war between the two nations, involving the navies and maritime commerce of both. That war arose over such spoliations as these and resulted in more spoliations. The convention between the two after such war obliterated all claims not provided for or reserved in the settlement or revived by subsequent agreement.

General Washington, in accepting a commission as lieutenant general and commander in chief of the American armies being organized for this very war between France and the United States,

in a letter to President Adams, under date of July 17, 1798, a few days after Mr. Livingston had used the language quoted above, speaking of the conduct of France, said:

"* * * Their disregard of solemn treaties and the law of nations; their war upon our defenseless commerce; their treatment of our ministers of peace; and their demands, amounting to tribute, could not fail to excite in me corresponding sentiments, etc."

In an official opinion rendered August 21, 1798, Attorney General Charles Lee said:

"Having taken into consideration the act of the French Republic relative to the United States and the laws of Congress passed at the last session, it is my opinion that there exists not only an actual maritime war between France and the United States but a maritime war authorized by both nations. Consequently France is our enemy; and to aid, assist, and abet that nation in her maritime warfare will be treason in a citizen or any other person within the United States not commissioned under France. (1 Op. Atty. Gen., p. 84.)"

The Supreme Court of the United States, in Bas *v.* Tingy (4 Dallas, p. 37), followed by many other cases, held that during the period in question there was such a state of war between France and the United States as entitled Tingy, commander of the armed ship *Ganges*, to libel the American ship *Eliza*, commanded by Bas, for salvage after the *Eliza* had been captured by the French and later recaptured by the *Ganges*. His right to such salvage depended on the existence of such a state of war between France and the United States as authorized France to capture the *Eliza*, and therefore authorized the commander of another American vessel to recapture her from France and claim compensation from the American owners thereof. The Supreme Court decided this proposition in the affirmative. These seem to be explicit decisions by the Supreme Court of the United States that there was such a war between the United States and France as was unlimited on the seas and invoked the laws of sea warfare.

When I first began the investigation of these claims I wondered why those who contrived the acts of the last days of the last session of the Forty-eighth Congress and of the Arthur administration denied the Supreme Court appellate jurisdiction to review these findings. I am now compelled to adopt the view that two things probably entered into it:

First. Those who were unwilling to commit the Government to the payment of these claims, being careful to avoid such commitment, avoided the appearance of the degree of obligation which a judgment of the Supreme Court might seem to impose.

Second. Those who were seeking to collect these demands and were contriving the act of 1885 with a view to procuring its passage and perchance collecting the claims did not want the cases to go to the Supreme Court of the United States, because the Court of Claims would have to decide the question as to whether or not there was a war between the United States and France, and the opinion of the Supreme Court of the United States, in harmony with the opinion of the Attorney General and with the declaration of General Washington and that of Mr. Livingston, lay across the path of those who were trying to pilot these claimants to the Treasury.

John Bassett Moore, in his work on International Law, volume 6, page 1009, says:

"It is generally laid down by publicists that claims which form the ground or cause of war perish with it unless they are provided for in the treaty of peace."

President Polk, in a message dealing with claims of our citizens against Mexico, said:

"A state of war abrogates treaties previously existing between the belligerents, and a treaty of peace puts an end to all claims for indemnity for tortious acts committed under the authority of one government against the citizens or subjects of another unless they are provided for in its stipulations."

Secretary Day, concerning a claim for certain land against Canada or England, said:

"A failure to insert it in a stipulation preserving such claims had the effect of rendering them inadmissible as subjects of further diplomatic acts."

Whichever view we take as to whether the situation existing between the United States and France during this period did or did not constitute war, we must see that the question whether there was such a war raised a controversy which seriously embarrassed our ministers to France and our Government in its efforts to collect these indemnities.

Another insuperable difficulty which confronted the American negotiators with France in their efforts to collect these claims was the fact that many, if not all, the claimants had failed to prosecute their claims through the tribunals of France to the court of last resort. The rule requiring that is stated in Wharton's International Law, volume 2, page 676, in the following language:

"But it may be safely asserted that this responsibility can only arise in a proceeding when the foreigner, being duly notified, shall have made a full and bona fide though unavailing defense and, if necessary, shall have carried his case to the tribunal of last resort. If, after having made such appeal, he shall have been unable to obtain justice, then, and then only, can demand be, with propriety, made upon the Government."

John Bassett Moore states the same proposition, saying:

"A citizen of the United States residing in Canada, whose property there situate has been destroyed and pillaged by British troops, must first seek redress from the tribunals of the country under whose laws he would settle, and until this remedy has been exhausted he is not entitled to intervention of the Department of State. (Moore's Int. Law, vol. 6, p. 658.)"

Both these high authorities sustain this proposition by quoting many statements by American Secretaries of State, showing that we have since the beginning of the Nation's history applied that rule and recognized its application by other nations. There are exceptions to it where the countries and their governments are backward or the courts are incompetent or corrupt, but, of course, there was no chance to get France to waive this rule on the ground that she was unenlightened or her courts unreliable. I have been able to think of no means by which our ministers to France, seeking to collect these claims, could have overcome this single difficulty.

Article 4 of the treaty negotiated in 1803, by which France ceded us Louisiana, and agreed that 20,000,000 francs of the price might be applied on the claims of our citizens, contained the following provision:

"It is expressly agreed that the preceding articles shall comprehend no debts but such as are due to citizens of the United States who have been and are yet creditors of France for supplies, for embargoes, and prizes made at sea, in which the appeal has been properly lodged within the time mentioned in the said convention, eighth Vendemiaire, ninth year (September 30, 1800). (Treaties and Conventions, etc., Malloy, vol. 1, p. 514.)"

This declaration of Mr. Livingston, of General Washington, and many similar declarations—the official opinion of the Attorney General and the decisions of the Supreme Court of the United States that a state of war existed, if not accepted as conclusive of that fact, do show a serious controversy as to whether or not such a state of war existed and whether a treaty of peace such as was made between France and us in 1800 did not settle all these claims, except such as were reserved under it or revived by subsequent agreement, not as a matter of bargaining but by the operations of international law upon a state of facts which the United States could not avoid.

Then, in addition to that is the question just pointed out, arising from the failure of the claimants to prosecute their cases to the highest courts of France. These embarrassments, coupled with the weakness of our country under the conditions then prevailing, brought our negotiators and those of France to a standstill and made it impossible for our Government to collect the claims. It tried faithfully and with persistence to collect them and failed as to these.

I have been unable to find anything to indicate that the United States ministers bargained away the claims of its citizens in consideration of the release of the United States from certain claims which France had against her as a nation. If they did that, they violated the instructions given by Secretary of State Pickering, approved by President John Adams, on their departure to France for the purpose of negotiating this treaty. I read from those instructions:

"At the opening of the negotiation you will inform the French ministers that the United States expect from France as an indispensable condition of the treaty a stipulation to make the citizens of the United States full compensation for all losses and damages which they shall have sustained by reason of irregular or illegal captures or condemnation of their vessels and other property under color of authority or commissions from the French Republic or its agents. (2 Foreign Relations, pt. 2, p. 302.)"

The only instructions pertaining to the mutual cancellation and waiving of claims is in the following language:

"If, however, the French Government should desire to waive its national claims, you may do the like on the part of the United States. Doubtless the claims of the latter would exceed those of the former; but to avoid multiplying subjects of dispute and because national claims may probably be less definite than those of individuals, and consequently more difficult to adjust, national claims may on both sides be relinquished. (2 State Papers, pp. 301–302.)"

In the printed copy of these instructions, contained in volume 2 of American State Papers (Foreign Relations, pt. 2), the words "national" and "individuals," wherever they appear, are in italics, showing the original underscoring of the words, and that it was intended that our ministers should differentiate between national claims and the claims of citizens.

The advocates of these claims in trying to show a bargain between the two countries by which we surrendered the claims of our citizens in consideration of France surrendering its claim against us as a nation overlook the fact that the United States had a claim against France as a nation which President Adams said to our ministers in the above instructions was greater than France's claim against us. The surrender of that national claim in cancellation of France's national claim against us would have been a sufficient consideration, carrying no obligation to pay these private claims.

Moreover, to say that we recognize that France had a claim against us as a Nation and that we paid it by surrendering the claims of our citizens would place upon the United States a deep stain of dishonor. The basis of France's claim against us was that we had repudiated our national obligation under the treaty of 1878. France was seeking to hold us liable in damages on the claim that we had treated our convention as a scrap of paper. The United States has never admitted that. We, the remote grandsons of the fathers, may now confess that dishonor on them, but they never did it. To have paid it would have been a confession of it. To have paid it in consideration of the cancellation of the claims of our citizens would have been to confess our failure to keep our obligations to France, and to betray our citizens by selling their property to settle a debt brought upon

this Nation by dishonor. You have to conclude that we owed damages for treaty breaking in order to create the fiction of a consideration received by the United States in return for the surrender of its citizens' claims. I am unwilling to confess that dishonor. I am unwilling to confess the further dishonor which would result from its existence and the failure of any President for 85 years thereafter to recommend the settlement of these claims. All the earlier ones knew the facts intimately and could not honorably have ignored such an obligation if it existed.

To admit its existence now is to admit dishonorable action by the Nation in the first instance, aggravated by a willful failure by the Presidents and by the Government, who knew of it, to repair the shameful injustice done.

Such an injustice would have been willful. In two of President Jefferson's messages, written within 10 years after the treaty of 1800, he mentions a prospective surplus in the Treasury of the United States.

So large a Treasury surplus did accumulate during the administration of President Jackson that it was distributed among the States. These abundances of money in the National Treasury developed while such leaders as Jefferson, Monroe, and John Quincy Adams participated actively in national affairs.

The American ministers to France not only were without authority to bargain away the claims of citizens but they did not undertake to do so.

Article 2 of the treaty of September 30, 1800, contains the following:

"The ministers plenipotentiary of the two parties not being able to agree at present respecting the treaty of alliance of February 6, 1778, the treaty of amity and commerce of the same date, and the convention of November 14, 1788, nor upon the indemnities mutually due or claimed, the parties will negotiate further on these subjects at a convenient time, and until they may have agreed upon these points the said treaties and convention shall have no operation, and the relations of the two countries shall be regulated as follows. (Art. 2, Treaties and Conventions, vol. 1, p. 497.)"

This merely recited the fact that the parties could not agree about certain classes of indemnities, including these. Thereafter the Senate amended the treaty by striking out this article and inserting one in its place, making the life of the treaty eight years. There was no bargain or evidence of bargaining away American claims in that amendment. The American ministers would not confess liability for damages for treaty breaking and France would not confess liability on claims of this class, and that was all there was to it. When Napoleon, in his own presumptuous, rough-shod manner, ratified the treaty thus amended, he made the following notation upon it:

"*Provided*, That by this retrenchment the two states renounce the respective pretentions, which are the object of the said article. (Treaties and Conventions, vol. 1, p. 505.)"

This does not indicate that American claims were bargained away. The article making the treaty run for eight years remained in it. That with Napoleon's notation does indicate that these demands should not be pressed during the eight years during which the treaty should run. France, being unable to collect indemnities from the United States and the United States unable to collect any of this class from France, neither one was to press them during that period.

The United States had failed to compel payment for this class of spoliations or for national damages claimed of France, and France had failed to collect her claims against the United States, but there was no indication of an offset. Can it be contended that because France did not succeed in compelling the United States to pay the damages France claimed on account of alleged treaty breaking the United States became obligated to pay our citizens the damages done by France?

The construction placed on this treaty by those concerned at the time of its negotiation is almost, if not quite, as enlightening as the instructions under which it was negotiated. The treaty was made during President Adams's administration and finally submitted to the Senate for ratification by his successor and political antagonist, President Jefferson. There was no such political association between these gentlemen as would have tempted President Jefferson to have been unduly liberal and favorable in stating the effect of the treaty made by his predecessor and political opponent. President Jefferson's first message to Congress, on December 8, 1801, at the beginning of the session, a few days before the Senate received and finally passed upon this treaty, gave the presidential view of its effect in the following language:

"A cessation of irregularities which had afflicted the commerce of neutral nations, and of the irregularities and injuries produced by them, can not but add to this confidence and strengthen at the same time the hopes that wrongs committed on unoffending friends, under a pressure of circumstances, will now be reviewed with candor, and will be considered as founding just claims of retribution for the past and new assurances for the future."

This language does not name this particular treaty, but this was the only treaty to which it could have referred. It refers to the settlement of which this treaty was a leading part.

You will see that President Jefferson, who had considered the treaty and submitted it to the Senate, held the view that the "wrongs committed" would "now be reviewed with candor and * * * be considered as founding just claims of retribution for the past."

Instead of an abandonment of private claims and foreclosure of their discussion, he understood it as opening the way for "retribution."

In simple truth the treaty of 1800, ratified finally in 1801, contained no bargain for the surrender of our citizens' claims in consideration for the renunciation of France's national claims. It had merely stated the inability of the parties to agree. The Senate had eliminated that statement and made the treaty to run for eight years, without mentioning the agreement or settling it, and leaving it open for future negotiations unless the fact of war had concluded it except as to claims revived by subsequent agreement.

Napoleon in his own presumptuous manner denounced the claims of both countries as "pretentions." Whatever that treaty did was in force for only eight years, and Jefferson's hope that peace would pave the way for negotiations and retribution was well founded, for claims against France continued to be pressed thereafter.

French spoliation claims arising before September 30, 1800, and claims arising immediately thereafter, and others arising under Napoleon's Berlin decree, and others like it, and claims of every class piled up continuously to an enormous amount.

Many were settled under the treaty of 1803 concluded within 16 months after Jefferson's message quoted above. Many other claims on account of French spoliations were settled under the treaty with Spain of 1819, by which we purchased Florida. Under the treaty of 1803 we purchased Louisiana and insisted on having some 20,000,000 francs, or $3,750,000, of the price paid on claims held by our citizens. Under the treaty of 1819 with Spain, which was the result of some 20 years' negotiations in efforts to collect French spoliation claims of the same period as these, we purchased Florida and insisted on having some 25,000,000 francs, the price of Florida, applied on the payment of French spoliation claims for which we held Spain liable jointly with France, because she had permitted her nationals, ports, and tribunals to be used in cooperation with France in the commission of the spoliations.

Still the United States continued to press France for the payment of spoliation claims. The two countries came to a rupture of diplomatic relations during President Jackson's administration over such demands made by us, and in 1831 France made another treaty providing for the payment of 20,000,000 francs on American claims. All of the money which France and Spain paid under these treaties for the benefit of our nationals was, of course, promptly paid to our citizens, and if there had been either a written or an implied obligation to pay these claims, they, too, would have long ago been paid.

During this long period France had been in the midst of several wars and made several changes of government. She had dethroned her old Kings, gone through the French Revolution, with its reign of terror, then had the rule of the Directory, after which came Napoleon's career and years of war, which were immediately followed by the reestablishment of the old line of French Kings.

The representatives of France pleaded that their Government was unable to pay such a volume of claims, and was not rightfully chargeable with what preceding governments had done.

Albert Gallatin, our minister to Paris in 1816, wrote to Mr. Monroe, then Secretary of State, that Richelieu, in behalf of France, had said to him:

"That it was absolutely impossible for the present government of France to make compensation for the whole mass of injustice done by the former governments; that the whole territory, if sold, would not suffice for that object. (Writings, Albert Gallatin, vol. 2, p. 15.)"

But during all this disturbed period until 1831 the United States was still pressing for the settlement of claims. Growing stronger as the years passed, it collected yet more of them. Our Government in those days of comparative weakness collected every just claim it was possible to collect. No sound principle of law, of justice, or duty made the United States liable to these claimants merely because she failed to collect all of them from France. Our Government entered into no treaty stipulation to pay them. No implied obligation to pay them is shown. The record sustains all of these propositions.

The fact that they were not long ago paid by the worthy and capable men who directed the Government during that and several succeeding generations creates a compelling presumption against them.

These men had their attention called to these claims. They knew the affairs of the Nation in their time; believed in keeping the public faith, preserving the public credit, and protecting the rights of their people. They were neither inattentive, uninformed, or dishonest. These claimants now ask us to correct alleged wrongs which could have been perpetrated only through the neglect, ignorance, or dishonesty of the founders and all their noble successors, including our splendid predecessors who have refused to pay them for 125 years.

Among those who led in the prevailing opposition to these measures during recent years were Hon. Claude Kitchin, Hon. J. R. Mann, and Hon. Joseph G. Cannon. Mr. Mann made the motion to strike out the enacting clause of the bill which carried them, which the House did on February 19, 1911. Uncle Joe Cannon said of them once during recent years:

"I have from Congress to Congress, with what little power I have, opposed these claims. I believed then and believe now they ought never to have been paid."

Though, as a member of the conference committee, he supported a conference report in which the Senate had inserted some of them. The House has rejected them again and again, even

after they were passed on, in this specially provided and protected way, by the Court of Claims.

Among the Texans who led in the opposition to them were Hon. S. W. T. Lanham, father of our colleague, FRITZ G. LANHAM, and long a distinguished Member of this House, a member of the Committee on Claims, and later Governor of Texas. They were vigorously opposed by Hon. John H. Reagan, long a leading Member of this House and a Member of the Senate from Texas.

THE FATHERS REJECTED THEM

John Adams, who was President when the treaty of 1800 was made, knew our foreign affairs, was from New England, whence most of these ships went; but he called nobody's attention to the obligation which these claimants assert.

Thomas Jefferson was our representative at Paris, Secretary of State under Washington, President when the treaty of 1800 was finally accepted and proclaimed, and in 1803 when a treaty with France, dealing largely with claims against France, was made and ratified. He, like his predecessors, failed to recognize any obligation such as is claimed here.

James Madison was Secretary of State under Jefferson, had intimate familiarity with all these matters, and was President for eight years next after Jefferson. The theory on which these claims are pressed is that he, too, was indifferent or obtuse or dishonest; for he failed to remind Congress of any such obligation as the interest of these claimants causes them to assert. The House voted 21 for and 48 against claims of this class during Jefferson's administration. (RECORD, February 26, 1802, p. 604.)

Monroe was one of our representatives at Paris when the treaty of 1803, dealing largely with France spoliation claims, was made. He was Secretary of State under Madison and was President for eight years, extending from 1817 to 1825. Only neglect or ignorance or dishonesty could have prompted him to ignore such an obligation if any existed such as these claimants in their own interest now pretend. During Monroe's administration the House voted 4 for and 41 against claims of this class. (RECORD, January 10, 1823, p. 104.) In the "era of good feeling" which Monroe's administration inaugurated, an influential President, such as he was, if he had favored these claims, could certainly have influenced more than four Members to vote for them. This is almost as significant as his failure to recommend their payment in any message.

John Quincy Adams was with his father, John Adams, when the treaties of 1778 were being negotiated. He was assistant secretary to the American mission to Paris when our treaty of peace was made there in 1783. He was in our Foreign Service much of the time thereafter; was in the Senate in 1803 when Jefferson's treaty providing for the purchase of Louisiana and the settlement of many spoliation claims was ratified. He was Secretary of State under Monroe, and then was President for four years, from 1825 to 1829. A man of method, well acquainted with all our foreign affairs, scrupulous in matters of obligations, courageous enough to be willing to be unpopular for his convictions, yet he saw no such obligation as this, though these claims arose principally from New England, toward which he was not unfriendly.

The same was true of all our great and near great Presidents for 85 years after the treaty of 1800 was made. Twice in that long period the persistent efforts of these claimants caused the passage of favorable bills through the House. During 150 to 200 sessions Congress rejected them by nonaction or adverse action. During this period two Congresses had acted favorably; but President Polk promptly vetoed the first and President Pierce the second. Both vetoes were sustained.

Thereafter Congress continued to decline to pay them, until in 1885, after Vice President Arthur had become President through the death of President Garfield, after his party had refused to nominate him, and after the country had passed the Government into the hands of the opposing party, in the last days of his administration and of an expiring Congress there was this half-hearted, restricted, noncommittal reference of these claims to the Court of Claims, with carefully guarded caution against commitment in their favor.

No Congress has paid any of these claims during the last 20 years, notwithstanding the court has reported favorably on them. Congress has continually declined to do so, and has several times positively refused to do so.

President Cleveland vetoed them in 1896 and thus became the third President to veto them. In that instance, as in both the preceding ones, Congress refused to pay them over the President's veto.

After these careful, well-informed, conscientious statesmen of the first and second generations after these transactions occurred, and their successors for many decades, have either declined to recognize such an obligation or have rebuked the assertion of it, what right have we to say that they were indifferent or ignorant or disregardful of the obligations of the Nation and the rights of its citizens?

On four occasions between 1885 and 1905 at or near the close of sessions, usually in the dying hours of an expiring Congress, the Senate has succeeded in getting provisions for the payment of such of these claims as had then been reported into appropriation bills, usually through conference reports. These cover about 20 years after the limited reference to the Court of Claims. The first was passed on March 3, 1891; the second, March 1, 1899; the third, May 20, 1902; and the fourth, March 3, 1905.

The act of reference required that all claims be filed within two years, but it fixed no limitations of time within which evidence could be offered or report made. These appropriation bills, added by the Senate through conference reports and adopted by the House, as stated, covered all cases reported up to that time, so far as I can ascertain, and every claimant had then had 20 years after the limited reference within which to prove his claim. That was ample time for them to make proof if the facts existed, but another 20 years have come and gone and they are still scraping up support for their claims.

If they are all ever settled the last of them will be trailing with troops of German spoliation claims and others like them. Like pension claims for the War of 1812 still being paid, they hang on forever. Lobbyists promoting the German spoliation claims will be hanging around Congress when we have all been in our graves 100 years, if the Nation still stands, which God grant.

Time itself should be treated as having settled the controversy as to the payment of these claims. Mr. Bayard, Secretary of State, is quoted in John Bassett Moore's work on International Law as saying:

"It must be remembered that statutes of limitations are simply formal expressions of a great principle of peace which is at the foundation not only of our own Government but all other systems of civilized jurisprudence. It is good for society that there should come a period when litigation to assert alleged rights should cease, and this principle, which thus limits litigation when wrongs are old and evidence faded, is as essential to the administration of justice as is the principle that sustains litigation when wrongs are recent and evidence fresh. (Vol. 6, p. 1005.)"

Mr. Moore further quotes one of the commissioners passing on Venezuela claims as saying:

"Great lapse of time is known to produce certain inevitable results, among which are the destruction or the obscuration of evidence, by which the equality of the parties is disturbed or destroyed, and as a consequence renders the accomplishment of exact or even approximate justice impossible. Time itself is an unwritten statute of repose. (Moore's International Law, vol. 6, p. 1006.)"

The discussion of these claims presents a striking example of the mass of tradition, misunderstanding, fiction, and falsehood which self-interest can create and the amount of truth which can be lost in the thickening haze which surrounds transactions as they recede into the distant past.

In the Senate hearings on these claims of March 20, 1924 (p. 10), Mr. Scattergood, representing one of the big insurance companies interested, said:

"Mr. SCATTERGOOD. There has never been an adverse report, or even a minority report, made on the subject of the French spoliation claims since their reference to the Court of Claims on the facts and law."

On February 18 and 19, 1911, an adverse report on claims of this class, probably some of these claims, was made by the House committee to the House while Mr. Scattergood was in Washington looking after them. Indeed he was sitting in the gallery while this adverse report was under a continued discussion for two or three days, as shown by the CONGRESSIONAL RECORD of February 19, 1911 (p. 2886), from which I read:

"Mr. SHACKLEFORD. I will say to the gentleman from North Carolina that he [Mr. Scattergood] is sitting in the gallery, and has been sitting there for the past week.

Mr. KITCHIN. He ought to sit there. He is interested, and ought to stay there and see that the House looks after his company's interest * * *."

As I understand it, this is the Mr. Scattergood who has written a history of these French spoliation claims from which men frequently quote as authority.

Statements that the United States had collected money for these claimants and withheld it from them, and that it assumed them and had refused to keep its obligation, would not have been made but for the confusion, tradition, fading memories, and obscuring records of men. Under such conditions tradition and fiction accumulate, and the facts are forgotten, confused, and obscured.

The principle recognized in statutes of limitation and systems of equity is not based alone on the neglect of litigants.

It recognizes the existence of just such situations as we have here, in which controversies, parties, opportunities, and tribunals have existed for successive generations, carrying the responsibility of adjudications which could have been made by them and can not be made by men of remote generations.

If we did not have our present imperfect information indicating that no injustice has been done; if we did not know, as we do, that capable, conscientious, courageous men administering our Government had declined to recognize any obligation of payment, sound policy would require that, after a century and a quarter, we presume that the claimants were able to present their cases, that capable men considered them, and that the refusal to recognize them was justified.

In vetoing an appropriation of public lands to pay these claims in 1846, 80 years nearer the time and transactions in which they originated, President Polk said:

"I can perceive no legal or equitable ground on which this appropriation can rest."

President Pierce looked into them with care from a viewpoint 75 years nearer than ours. He found that the United States not only did not agree to waive these claims, but that—

"The zeal and intelligence with which the claims of our citizens against France were prosecuted appear in the diplomatic correspondence of the three years next succeeding the convention of 1800."

President Pierce further said:

"It has been gratifying to me, in tracing the history of these claims, to find that ample evidence exists to refute an accusation which would impeach the purity, the justice, and the magnanimity of the illustrious men who guided and controlled the early destinies of the Republic."

Many of these are underwriter and insurance company claims. The underwriters and insurers knew the times and conditions under which they fixed and collected premiums to cover the risks of losses which they deliberately assumed.

The high premiums paid proved that they knew of these risks. If they did not know of the danger, they have no right to ask us to grant them gratuities out of the Public Treasury to compensate for their failure to use good sense in business. They fixed and collected premiums to cover the risk, plus overhead charges, plus a profit. Therefore they had no loss except such as they deliberately took the risk of suffering for the sake of the profit promised. If they did not collect such premiums, their loss resulted from their own folly.

President Cleveland, in vetoing an appropriation for claims of this class in 1896, among many other conclusive reasons given, presented this one, saying:

"In the long list of beneficiaries who are provided for in the bill now before me on account of these claims, 152 represent the owners of ships and their cargoes and 186 those who lost as insurers of such vessels or cargoes.

"Those insurers, by the terms of their policies, undertook and agreed 'to bear and take upon themselves all risks and perils of the seas, men-of-war, fire, enemies, rovers, thieves, jettison, letters of mart and countermart, surprisals, takings at sea, arrests, restraints, and detainments of all kings, princes, or people of what nation, condition, or quality whatsoever.'"

The premiums received on these policies were large, and the losses were precisely those within the contemplation of the insurers. It is well known that the business of insurance is entered upon with the expectation that the premiums received will pay all losses and yield a profit to the insurance in addition; and yet, without any showing that the business did not result in a profit to these insurance claimants, it is proposed that the Government shall indemnify them against the precise risks they undertook, notwithstanding the fact that the money appropriated is not to be paid except "by way of gratuity—payments as of grace and not of right."

The Supreme Court of the United States having by a unanimous opinion held that appropriations for these claims were mere gratuities not based on any claim of right, it is idle to talk of "subrogation." Subrogation is the placing of one where he is vested with rights of another, but the Supreme Court has held that these claims are based on no right. The remote assignees or other successors of the original claimants, while asking the Government to waive all legal rights and grant them mere gratuities not based on right, inconsistently try to invoke a strained and unnatural construction of subrogation notwithstanding there are no rights to which they can be substituted.

Mr. Speaker, for these reasons and for others which time will not permit me to state I protest against the payment of these claims. They amount to many millions of dollars. The end of them and their kind is not in sight. Others like them growing out of other transactions, and especially those out of the spoliations committed by Germany, can and probably will be presented hereafter with more plausible support than these have. [Applause.]

TEXAS, OKLAHOMA, AND KANSAS CATTLE-TICK CLAIMS

Mr. BOX. Beginning with the Sixty-seventh Congress, there have been pending before your Committee on Claims bills looking to the payment of large amounts as damages alleged to have resulted to cattle and pasture owners because of cattle ticks and the so-called tick fever, said to have crossed the livestock quarantine lines because of improper disinfection and faulty inspection at the quarantine line. The first of those bills proposed a direct appropriation for the payment of such claims, estimated in the committee report as amounting to $245,258.12. Several members of the committee, including Hon. CHARLES L. UNDERHILL, who afterwards became its chairman, and myself, the ranking minority Member, reporting dissenting minority views, presenting, in my judgment, controlling reasons why that claim and similar ones should not be paid by Congress.

I ask that that statement made by a minority of the committee may be included in my remarks at this point.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

MINORITY REPORT

This bill should not pass, because the damages claimed are not itemized and because it is not satisfactorily shown that all the damages to be paid resulted proximately from the alleged wrong. In view of the many outbreaks of such pests as fever ticks and the difficulty and uncertainty involved in tracing the source of the infestation, it is plain that there will be great difficulty in tracing such damages as are claimed here to their source and serious risk of fraud and imposition upon the Government should the policy of paying demands of this class be now established.

But the bill presents squarely the question whether the United States Government is to be held liable as a guarantor or insurer against damages or loss resulting from imperfections in the measures it takes to eradicate diseases and pests which it seeks to stamp out or against which it seeks to protect the people by inspection, quarantine, and other protective measures.

In other words, the question is whether, after the taxpayers have contributed vast sums for more or less successful measures of eradication and protection, they must because of such expensive and beneficial measures and because of imperfections sometimes existing therein be held to pay untold sums as damages because such measures fail in some instances and loss results.

The bill recites that damages are to be paid because of "negligence of veterinary inspectors" and "their failure to properly dip" the cattle alleged to have carried the infestation across the quarantine line into Kansas, causing the damages claimed. The majority report states that the damages were "sustained by them through the negligence of the veterinary inspectors employed by the Bureau of Animal Industry, Department of Agriculture, in their failure to properly dip 48 head of Texas cattle that were shipped from the Fort Worth stockyards * * * to Kansas, where they infected the native Kansas cattle with Texas fever tick."

If the grounds on which these claims are to be paid be enlarged by further statement and argument so that they will include the facts that the people of communities and States north of the quarantine line relied upon the Government's dipping and inspection, and because of such reliance failed to adopt measures of their own, we will have the most liberal possible statement of the grounds on which the claims can be based. Still we will have no more than have doubtless existed in a great many such cases heretofore and no more than will exist in innumerable cases involving staggering amounts of money hereafter.

The Government tries to eradicate hog cholera, scabies in sheep, glanders in horses, and great numbers of other diseases. Suppose the dipping or other treatment under its inspection fails occasionally, is the Government to make good all the losses resulting where men relied on its protective measures and were disappointed therein?

The Government inspects meat and foods and places its stamp upon the food showing that it has been passed by the Government as safe for human beings to eat. Suppose an inspector is negligent, or other fault in the inspection or certification develops, is the Government liable for illness, suffering, financial loss, and death resulting from an error or negligence or imperfection in its handling of these protective measures?

The State and National Governments seek to protect their people against contagious diseases, such as typhus and cholera. Do they insure that their health inspectors and quarantine regulations will be faultless, and that diseases which can be kept out will always be excluded? Will citizens who rely on these protective measures have a claim against their Government for compensation for financial loss, resulting from disease, disability, and death proximately caused by the failure of their inspection and quarantine measures and their admission of vessels, freight cargoes, and passengers passed as safe, but afterwards found to have carried disease germs?

We believe the Government has done its full duty when it helps to guard against and eradicate such infections and that it does not guarantee or insure the results of its efforts.

There is no moral or legal ground for this claim. There is no end to the trouble and expense in which it will involve the Federal Government if the policy involved is adopted.

HENRY B. STEAGALL.
CHARLES L. UNDERHILL.
A. L. BULWINKLE.
JOHN C. BOX.

Mr. BOX. As foreseen by some of us, the reporting of that bill, even by a divided vote of the committee and the inclusion of a rider attached to an appropriation bill at the other end of the Capitol which resulted in the payment of those claims, brought forth a more abundant crop of such demands. The amount sought to be recovered by such demands now far surpasses the original claims on this account and is capable of indefinite increase. The number of similar claims which can be worked up has scarcely any limit. Such an increase of these demands is practically assured, if liability on them is recognized or if the Government waives the sovereign immunity necessary to its maintenance of its numerous quarantines for the protection of plants, timber, crops of many kinds, livestock, and human life. To have the Government waive its sovereign immunity from suit and liability on demands for damages arising out of the operations of its quarantine laws is necessary to anything but a useless and hypocritical reference of these demands to the courts. Such a waiver of immunity from suit and liability will make such quarantines so very expensive and hazardous as to discourage and often prevent them.

The reference of these claims to the courts as has been later proposed will mean nothing but mockery to the claimants, unless the Government shall also strip itself of part of the sovereignty essential to the very existence of government, by agreeing that, as to such quarantine measures, it shall be shorn of an immunity necessary to the performance of this one of the functions of government.

As illustrating the necessity for the preservation of its sovereign immunity from suit and liability arising out of some of these necessary activities, I remind you of the fact that governments rarely, if ever, permit themselves to be sued or waive their immunity from liability on claims against them for damages arising from criminal prosecution instituted and conducted by its agents, such as prosecuting officers, grand juries, and courts.

The enforcement of penal laws enacted to preserve the peace and protect life and property would be seriously embarrassed if the State or Nation renounced its sovereign immunity from suit and liability at the instance of every man who could convince a jury or file a lot of ex parte affidavits with the State legislature or the Congress, showing that he had been wrongfully prosecuted and that he had been damaged thereby. Individuals and others who maliciously mislead officials of the State into instituting such proceedings can be held liable but governments can not recognize such liability without bringing upon themselves serious embarrassment of their efforts to protect the peace of communities and the lives and the property of their people.

Much the same proposition is involved in these efforts to induce Congress to waive the immunity of the Government from both suit and liability on claims arising out of the enforcement of quarantine laws, enacted and executed at great expense for the protection of plant life, the livestock interests, and the health and lives of the people.

The Government must conduct such activities in the light of imperfect knowledge as to the situation of individuals, as to the need of such measures in particular instances, and as to the best methods available to its purposes. With the imperfect knowledge available to-day, it may be doing its best. In the light of advancement made to-morrow, what it did to-day may to-morrow be made to appear inadequate, or even affirmatively wrong. With the inadequate methods of ascertaining the facts in connection with claims and of making sound declarations on them advailable to Congress, a conclusion adverse to the Government is easily obtained. But if our methods of gathering and presenting the facts and reaching conclusions were adequate, it is not fair to the Treasury, because what was done a few years ago may now, in the light of new knowledge and progress, be found to have been faulty. That very element is now in some of these claims.

As a further development of the views of myself and several other members of the committee on these questions, I present and, with the permission of the House, insert as a part of these remarks a statement made by the gentleman from Massachusetts [Mr. UNDERHILL], the gentleman from Pennsylvania [Mr. COCHRAN], our former colleague the lamented Hon. L. J. Steele, now deceased, Hon. A. L. Bulwinkle, formerly a Member of this House and of this committee, and myself in connection with the committee's report on S. 620, Report No. 1362, Seventieth Congress, first session, which dealt with one of these claims.

The CHAIRMAN. Is there objection to the request of the gentleman from Texas?

There was no objection.

The matter referred to is as follows:

MINORITY VIEWS

This statement expresses the views of the chairman and the ranking minority member of the Committee on Claims and the finding of a majority of the subcommittee to which S. 620, for the relief of Russell & Tucker et al., and H. R. 4083, for the relief of Porter Bros. & Biffle et al., were referred for consideration and report to the whole committee. That subcommittee held full hearings and gave careful consideration to the evidence and every phase of the questions involved. Some of the other members joining herein have given special consideration to similar claims heretofore considered by the committee. All who join herein do so after careful deliberation and because they regard the questions involved as of much greater importance than even the expenditure of the large amounts which are ultimately contemplated.

In our view a very important question of public policy is involved.

The majority report was evidently written by one who was not present at the meeting of the committee and did not know what action the committee took or the basis of such action as it did take. The statement in the majority report as to why certain amendments were not adopted demonstrates that. So hasty was the consideration given by most of the membership present that amendments recommended by the department and by the attorneys for the claimants were neither rejected nor adopted. Several members of the committee favoring the bills in a general way desired amendments not considered or disposed of, though it is now understood that some of them desire to offer amendments on the floor.

In the haste and confusion of committee action upon S. 620 and H. R. 4083 there was uncertainty as to whether both were ordered reported, or whether either of them was ordered reported; and if one was or both were ordered reported, whether amendments referred to were to be made in committee or offered in the House. These questions as to what had been the action of the committee had to be settled at a subsequent meeting of the committee, which made an effort to end the confusion by construing the majority's former action as ordering both bills reported without amendment. Though that seemed to have been the fairest guess at the import of the former action of the majority, it was not clear. These facts are stated because of statements made in the majority report and in order that the House may know how seriously it should take the majority report.

Our colleague, Mr. HUDSPETH, who was a member of the subcommittee to which these bills were referred and gave them close attention, strongly favored them and was present at the first consideration of the bills by the whole committee, but had to hurry from the committee room because of illness and has been in the hospital almost constantly since, up to the writing of this report. Justice to him requires this statement.

None of the members of your committee joining in this statement have ever supported any bill serving as a precedent for these measures. The authorization of the proceeding, called a suit, in the case of J. B. Glanville et al. was made possible against the opposition of several active members of the House Claims Committee as then organized, some of whom join herein, by its being added in the Senate as a rider on an appropriation bill during the night of the last 24 hours of the Congress then existing, and enacted under conditions which denied it discussion or consideration or amendment by the House. The suit brought under that act was brought in one of the United States district courts in the State where most of the claimants lived, to which no defense was interposed by the Department of Justice. It is believed that a bona fide defense would have prevented a recovery in that so-called suit.

Instead of being regarded as a precedent for such action as is now proposed, it should be heeded as a warning against gross imposition upon the Government of the United States.

In our judgment neither group of these claimants has made such a showing of a probability that they suffered loss through any fault on the part of the Government of the United States, or its agents, as would justify a reference of even that question to the courts for adjudication. We confidently insist upon this proposition. But our chief purpose is to call the attention of the House to the larger question of public policy involved in permitting suit against the United States for damages alleged to have resulted from imperfection in its cattle quarantine measures.

The chairman of the subcommittee to which these bills were referred, on February 6, 1928, addressed a letter of inquiry to the Hon. William Jardine, Secretary of Agriculture, relative to these bills, and on February 17, 1928, received a reply thereto, both of which letters will be found toward the end of this report. We quote from certain inquiries made in that letter and the replies thereto, for the purpose of presenting this question:

Question No. 9: "I consider the quarantine system, conducted for the protection of cattle and other livestock, as consisting of (1) the detention at the quarantine points; (2) their dipping or disinfection; (3) their inspection thereafter; and (4) the issuance of the certificate showing that they are tick free and releasing them. Of course the system has other parts also."

Department's reply to question No. 9: "This is not a question but rather a statement of the steps in the procedure required to be followed before cattle are permitted to be moved interstate from quarantined areas. The statement appears to be quite accurate."

Question No. 10: "Quarantine measures conducted by the Federal Government, and probably those conducted by the State governments, for the protection of livestock and human beings consist mainly of these essentials: If the Public Health Service of the State or Nation guards against infection by immigrants or passengers from typhus, cholera, smallpox, or other disease-infected territory, does it not first detain them, afterwards often disinfect them, thereafter inspect them, and thereafter release them, giving a certificate showing them to be free from diseases before they are admitted into disease-free territory?"

Department's reply to question No. 10: "The department understands that the procedure which the Public Health Service follows to guard against the spread of infection of certain diseases by immigrants is such as you have outlined."

Question No. 11: "If the Government treats itself as liable for damages to livestock arising from a faulty omission or act in any one or more of the foregoing processes, what sound reason will prevent it from holding itself liable to persons injured as a result of imperfections in its quarantine measures for the protection of the health of persons?"

Department's reply to question No. 11: "If liability must be admitted in one case it must be admitted in the other; but to admit it in either case is to misconstrue the entire purpose of the Federal quarantine measures. The disinfection prescribed by Government agencies is not the inducement either for the shipment of cattle or for the entry of the immigrant. It is the cattle owner and his consignee who desire the shipment of cattle as it is the immigrant who wants to enter, but, before they can do the thing they want to do, they are required to take certain steps, and, naturally, it is the Government that supervises the entire process and sees to it that the requirements are carried out. It believes that its prescribed methods are as efficacious as possible under all the circumstances and is therefore willing to let the cattle move or the immigrant enter if its regulations are obeyed. It is in no sense an insurer of the efficacy of its methods in either case so as to assume liability for loss if, in spite of its best efforts to see that the required disinfection is given, some diseases get through; it could not do this so long as human agencies must be depended on to carry out the disinfection measures, although experience has shown, with reference to cattle, that adherence thereto has been practically always efficacious, for the number of known exceptions is practically negligible out of the many, many thousands of shipments."

Question No. 12: "The United States is, of course, carrying on a great number of quarantine and other protective measures in efforts to protect plants and animals from infectious diseases. If it becomes liable in damages for an occasional imperfection or act of positive negligence in such protective measures, will it not enormously increase the total amount of its expenditures on account of such efforts to protect plant and animal life?"

Department's reply to question No. 12: "The answer to this question is something like that given to question No. 11. The inspection and fumigation required to be given certain plants and plant products before they are allowed to move interstate from quarantined areas is not the inducement for the movement of such articles. On the contrary, it is merely that the shipper is permitted to do that which he wants to do when he has submitted his property to such treatment as the Government believes to be efficacious in removing the supposed or known danger. The Government does not and should not be held to insure either the shipper or consignee against loss if, in spite of the prescribed disinfection, disease does occasionally get through."

These bills present squarely the question whether the United States Government is to be held liable as a guarantor or insurer against damages or loss resulting from imperfections in the measures it takes to eradicate diseases and pests which it seeks to stamp out, or against which it seeks to protect the people by inspection, quarantine, and other protective measures.

The Government tries to eradicate hog cholera, scabies in sheep, glanders in horses, and great numbers of other diseases. Suppose the dipping or other treatment under its inspection fails occasionally, is the Government to make good all the losses resulting where men relied on its protective measures and were disappointed therein?

The Government inspects meat and foods and places its stamp upon the food showing that it has been passed by the Government as safe for human beings to eat. Suppose an inspector is negligent, or other fault in the inspection or certification develops, is the Government liable for illness, suffering, financial loss, and death resulting from an error or negligence or imperfection in its handling of these protective measures?

The State and National Governments seek to protect their people against contagious diseases, such as typhus and cholera. Do they insure that their health inspectors and quarantine regulations will be faultless, and that diseases which it seeks to keep out will always be excluded? Will citizens who rely on these protective measures have a claim against their Government for compensation for financial loss resulting from disease, disability, and death proximately caused by the failure of its inspection and quarantine measures and its admission of vessels, freight cargoes, and passengers passed as safe, but afterward found to have carried disease germs?

We believe the Government has done its full duty when it helps to guard against and eradicate such infections, and that it does not guarantee or insure the results of its efforts.

Evidence before the subcommittee which investigated these claims for the whole committee showed that Texas and other States maintain quarantines applying to intrastate movements of livestock for protection against tick fever and other communicable diseases, and that such diseases sometimes break out on the supposedly disease-free territory from such causes as alleged here, but no witness knew, and none of us have ever heard, of a State being sued or held liable or paying a claim for damages in such cases.

But an effort is being made to have the United States pay a demand which no State has been induced to wrong itself by recognizing.

The State of Texas has great livestock and agricultural interests menaced by plant and animal diseases which the United States is spending vast sums to check or eradicate. Prominent among these protective measures are quarantines and kindred action against plant diseases and against the foot-and-mouth disease and tick fever among cattle. The long Texas-Mexican frontiers are often quarantined or guarded to keep out such diseases of plants and animals from Mexico. The cotton boll weevil and the pink bollworm are both believed to have entered Texas and the South by crossing the Mexican frontier. The State often establishes great areas, called "noncotton zones," the boundaries of which are guarded to prevent the spread of the pink bollworm, which threatens to do damage measured by millions or billions of dollars. The participation of the United States in these protective measures costs it hundreds of thousands, even millions, of dollars annually. It is not humanly possible that all the men and measures used in these protective efforts will be 100 per cent perfect.

The policy which such bills as these will inaugurate will make the United States virtually the insurer of the 100 per cent effectiveness of these already expensive but beneficent and helpful measures. Under such an absurd theory as that on which these bills are proposed, because the United States has voluntarily undertaken to help protect the people against the ravages of such diseases it will be penalized in vast sums in cases where its measures, which often have to be developed by experiments, fail to stop the progress of every infection and infestation at the border of the quarantined territory. But if it should do nothing to help such a situation, no one would have a claim against it. Where it does try to help, the theory urged in support of these bills would make it liable as an insurer.

Enlightened self-interest should prompt all who represent these great interests to uphold the hands of the Government in them. This is an effort to coin alleged imperfections in the Government's protective efforts into profit for the claimants. Certainly the Congress will not establish such a system. Certainly the executive departments which have duties to perform in connection with them and with such propositions as this will do their utmost to prevent the inauguration of such a system.

If such a system is established, the Federal Government will have to curtail its laudable, helpful efforts or prepare to burden its taxpayers with the payment of enormous amounts on such impossible demands as these.

Some of us pointed out in connection with the Glanville claims that they would be but the beginning of the presentation of such demands. Those claims never would have gone through in the regular and proper way, under regular reports from this committee and considerate action by the House, but they were put through Congress in the manner stated above. Amendments prepared by members of the Claims Committee, designed to protect the Government by requiring that the suits be litigated in the Court of Claims, that the Department of Justice defend against the suits, and that the court consider every defense available to the Government, whether presented or not, were all denied even consideration. The claims were rushed through the court upon ex parte presentation.

These claims are some of the results. Your committee has on its calendar other claim bills essentially like these. All of which is but the beginning of the presentation of demands based upon the same principle.

Under a precedent which Congress is now being asked to establish claims for damages done by cattle ticks, the foot-and-mouth disease, cotton boll weevil, pink bollworm, and infectious diseases from which men suffer and against which the Government seeks to give protection, will be brought forward for decades and generations yet to come.

We recommend that these bills do not pass.

CHARLES L. UNDERHILL.
THOMAS C. COCHRAN.
L. J. STEELE.
A. L. BULWINKLE.
JOHN C. BOX.

CLAIMS AGAINST THE UNITED STATES FOR LOSSES AND DAMAGES CAUSED BY RAILWAYS WHILE OPERATED BY THE GOVERNMENT DURING THE WORLD WAR

Mr. BOX. Claims of this class pending and sure to be urged hereafter call for a larger amount and probably involve more difficulty and danger to the Treasury than any single group of claims presented throughout the history of the Republic up to this time. Those present and those who may read these remarks are invited to give attention to some suggestions in connection with them.

Nearly all of the vast mileage and activities of the railway systems of the United States were taken into possession and operated by the Government of the United States during a great portion of our participation in the World War, and were finally returned to the possession of their owners by the Government under the act of February 28, 1920. Every considerable unit of these many railroad systems, both before and since that period, has been compelled to maintain large claims organizations and many able attorneys to handle the numerous claims constantly arising against each of them. When one considers the total amount of claims accruing against them all during any considerable period, he is impressed by its magnitude.

The number of such claims arising against them during the period of Government operation and which has been

presented to Congress for payment out of the Treasury of the United States is great, and their amount already runs into many millions. If it is determined by Congress that the Government should now make settlement of them out of its Treasury, their total amount will be very great, and the difficulty of assembling the facts pertaining to them and making fair declarations upon any rule laid down or at haphazard will be beyond the capacities of any committee or facilities of the two Houses of Congress. The number of these claims involved in measures now pending is probably something above 8,000, and the amount of them probably approaches $20,000,000. If they are paid, the last one will not be paid for many years, and the total amount of them can not be forecasted.

When Congress enacted the law under which these carriers were returned to their owners sections 206 and 210 of that act provided for settlement of all such claims as were properly presented to the courts or otherwise and regularly ascertained in the ample time and manner therein provided. Payment was to be made out of the $300,000,000 revolving fund appropriated by section 210 of that act.

Members of your Committee on Claims have found that the Government was in a position like that of a lessee of the property of the carriers, and that since the return of these properties to the owners such claims as these and many others were to be paid out of the funds provided by the Government and designated for that purpose, with no prospect for reimbursement to the Government for any payments to be made in any other manner.

At the threshold of the consideration of this one class of claims as demands against the United States is met the question whether the act returning these properties made fair and adequate provision for payment of demands arising from their operation. Was sufficient time allowed for the presentation and adjudication for such demands? Was the direction as to the tribunals to which they were presented fair? Were adequate funds provided for the payment of all claims thus allowed?

At this point I ask permission that the Clerk may read subdivisions (a) and (e) of section 206, and subdivision (e) of section 210 of the act of February 28, 1920, authorizing the return of the transportation properties to their owners.

The Clerk read as follows:

SEC. 206. (a) Actions at law, suits in equity, and proceedings in admiralty, based on causes of action arising out of the possession, use, or operation by the President of the railroad or system of transportation of any carrier (under the provisions of the Federal control act, or the act of August 29, 1916) of such character as prior to Federal control could have been brought against such carrier, may, after the termination of Federal control, be brought against any agent designated by the President for such purpose, which agent shall be designated by the President within 30 days after the passage of this act. Such actions, suits, or proceedings may, within the periods of limitation now prescribed by State or Federal statutes, but not later than two years from the date of the passage of this act, be brought in any court which but for Federal control would have had jurisdiction of the cause of action had it arisen against such carrier.

* * * * * * *

(e) Final judgments, decrees, and awards in actions, suits, proceedings, or reparation claims of the character above described rendered against the agent designated by the President under subdivision (a) shall be promptly paid out of the revolving fund created by section 210.

* * * * * * *

SEC. 210. * * *

(e) There is hereby appropriated out of any moneys in the Treasury not otherwise appropriated the sum of $300,000,000, which shall be used as a revolving fund for the purpose of making the loans provided for in this section, and for paying the judgments, decrees, and awards referred to in subdivision (e) of section 206.

Mr. BOX. Subdivision (a) of section 206, just quoted, allows claimants to go into any court or tribunal which would have had jurisdiction of the demand against the carrier had there been no Federal operation. This included both the State and Federal courts. Every tribunal open to claimants before or after Government operation was held open for the presentation of these demands.

Under subdivision (a) just quoted any cause of action then existing or thereafter arising could be brought at any time allowed by the periods of limitation by State and Federal statutes, provided it was not later than two years after the passage of the act. The Minnesota fire claim now being pressed had arisen before the passage of that act and many of them were before the courts when it passed. Many others were filed later.

On February 22, 1922, about two years later, subdivision (a) of section 206 was reenacted and brought forward with a provision that such suit must be brought within two years thereafter. Certainly no one can plausibly contend that the Government did not give claimants ample time within which to present such demands.

Subdivision (e) of section 206 provided that judgments, decrees, and awards and reparation claims of the class described should be promptly paid out of the revolving fund provided in that act. Subdivision (e) was reenacted in the act of February 22, 1922, and carried forward, making the provision permanent.

Subdivision (e) of section 210 appropriated $300,000,000 as a revolving fund for the purposes of the act, and specifically recited that it was provided for the further purpose of paying "judgments," "decrees," and "awards" referred to in subdivision (e) of section 206 above quoted.

No claim that the $300,000,000 was insufficient to pay such demands has been heard by the committee. Certainly, then, there can be no contention that the Government did not provide abundantly for the consideration and determination of these claims. Neither can it be contended that ample time for their ascertainment was not allowed. Nor is it possible to insist that ample funds were not provided for the purpose.

Under these facts what ground have claimants for any just complaint against the provisions which the Government made for their protection? It is said that the claims were very numerous, hardly allowing time for their adjudication, but the law required only that they be filed within due time. If the greatness of the number of the claims required additional tribunals, it was the duty and the right of the State to provide them, and the record shows that this was known and considered by the parties, their attorneys, and the State of Minnesota. The time allowed would have been ample to permit an adjudication of them all. It is said that the claimants were victims of a great calamity and were needy.

Many of the tens of thousands of demands arising against these carriers in all the States were poor and needy. The demands from all the States arising during that period are and will be presented by crippled laborers and widows and orphan children, who have lost their breadwinners through the alleged faults of the carriers. That is true of some of these fire claims, but it is not peculiar to them. The claimants were represented by counsel willing and able to urge their demands and to advise as to the methods of handling them. Those in this particular group were all, or nearly all, adjusted by a compromise settlement under which the claimants received in cash 40 to 50 per cent of the face of their claims as established and recognized, in return for which they gave full acquittances to the carriers and the Government, releasing them from all further demands.

It is said that the condition of the claimants, the number of the demands, the situation in that State, and the handling of the business by the Railroad Administration had the effect of coercing the claimants into an unjust settlement, against which relief is sought here. The claimants or their attorneys knew that the courts were open to them; that ample time was allowed for the litigation of their claims; that their State would, if necessary, provide additional tribunals for their adjudication, and that the Government had provided abundant funds for the payment of all just demands.

If they compromised their claims by accepting less than was justly due, they did no more than can be claimed in behalf of virtually every demand which was adjusted during railroad operation or subsequently, under the provisions of sections 206 and 210 of the act.

But let us consider some of the facts bearing on the question whether there are any strong equitable considera-

tions urging the reopening of this particular group of claims. In addition to some fires shown to have been started by the carriers, it was affirmatively shown and found by the supreme court of that State that there were about 100 independent fires started by parties other than the railways. All of these fires, some of them started by carriers and the 100 set by other parties, spread and blended, so that nobody could segregate the damages done by the wrong of the carriers from that done by the negligence of other parties. The courts of that State charged the juries that if the fires started by the carriers blended as a substantial contributing element in the great fire caused by all of the parties the railways should be held liable for it all, and verdicts and judgments were rendered on those charges and sustained by the supreme court of that State, whose action in sustaining these instructions seems to have been in harmony with sound principles of law. But if these claims get consideration here, their status will be based upon an appeal to equitable grounds. As a matter of law these parties have gotten an adjustment and executed releases.

Moreover, the Government had done its full duty in making provision for their ascertainment and payment, and any effort to reopen the demands can be supported, if at all, only by an equitable appeal. But when we come to consider purely equitable considerations, is it equitable that the Government which started only a part of the fires should pay all of the damages caused by all of them? If these parties appeal to legal considerations, they have no standing. If they appeal to equitable considerations, how can they maintain that the Government, which contributed as one of many parties to their injuries, should be forced to pay for them all? Even if the settlement which they chose to accept compensated for less than their total loss, it is not unreasonable to suggest that they have received from the Government pay for more damage than the Government caused.

Moreover, when Congress is asked to reopen any of these claims for further consideration and payment, it should be remembered that there are many others pending before the committee and thousands of others not yet presented which can be urged on exactly the same ground. The Minnesota claims, when all presented, will, in my judgment, amount to from $17,000,000 to $25,000,000. The aggregate of all such claims is not capable of ascertainment now, but the Minnesota claims constitute only a part of the vast numbers and amounts of the demands which will have to be recognized if the question is reopened.

There is, in the judgment of this member of your committee, a probability that many claims growing out of these fires not yet included in any bill will be brought forward and their payment urged. Almost certainly great numbers of claims originating against all of our transportation systems during the period of Government operation will come from every section of the country demanding payment if Congress reopens the settlement provided for in the act of 1920 and the amendments thereto.

If any of these are now paid, a precedent will be set which will prepare the way for many such claims of all classes which were compromised or went wholly unpaid. Many such are known.

It is hoped that no one will even suspicion that the member of the Claims Committee now attempting to present this question to the House is moved by any political motives. The first of the demands of this class which came to the attention of your humble servant as a member of this committee was presented by his loved and lamented friend and honored and departed colleague, Hon. W. A. Oldfield. A claimant in the State of Arkansas had recovered a judgment for approximately the sum of $25,000, which our departed colleague, in the performance of his duty to this constituent, presented by a bill referred to the Claims Committee and by that committee referred to the gentleman from Texas as a subcommittee for investigation. Full hearings and consideration were given. The gentleman from Texas regretfully advised his colleague from Arkansas that for the reasons now being given the House he could not report that bill favorably to the whole committee. No favorable action was ever taken upon that bill. Our former colleague, Hon. William L. Carss, a Democratic Representative from Minnesota, when a Member of this House, first called these Minnesota fire claims to the attention of the gentleman from Texas, who then reconsidered the question of the payment of such demands and advised Mr. Carss and a committee who came here to represent the claimants of the conclusions which he is now stating.

It is not believed that the House will be able to consider these claims during this Congress. If they were up for consideration now, the gentleman from Texas would seek to develop all of the facts pertaining to them more fully. These suggestions are made for the attention of the House and to be incorporated in the RECORD, where they will be available to Members of this House who may have to deal with them hereafter.

PRESENT SYSTEM OF CONGRESSIONAL CONSIDERATION OF PRIVATE CLAIMS UNSATISFACTORY

The House Committee on Claims was created early in the history of the Government because there were many just demands against the United States which could not be considered by any other branch of the Government. The volume of business and the magnitude of claims coming before this committee for consideration have greatly increased as our wealth, population, and the activities and expenditures of Government have increased, until at the present time, under present methods, the committee, however diligently it may work, can not report all of these bills, and the House could not act upon all the business if the committee could report anything like all the claim bills. Fifteen hundred to two thousand bills are referred to us during a Congress, not nearly all of which are ever reached by the committee, though it almost uniformly keeps far ahead of the House by keeping more bills on the calendar than the House can consider. The volume of this business will not and, in my judgment, can not have proper attention under the present system.

The character and importance of claims coming before us is shown by three groups of claims discussed in these remarks. Yet, this statement mentions only a few claim bills among some 2,000 referred to the committee during a Congress. Many of these involve controverted and complicated facts, for the ascertainment of which the Congress and its Committee on Claims have no organization. Hundreds of thousands of dollars, even millions of dollars, are sometimes paid out of the Treasury upon an ex parte and otherwise utterly inadequate ascertainment of the facts and consideration of the principles of law and justice which they involve.

One prompted by a desire to have the Government justly decide upon the rights and wrongs involved in many of these claims feels a disappointment which is sickening when he first gets an inside view of this part of the Government's efforts to do justice to claimants and protect its treasury against fraud and other elements tending to defeat justice.

The following suggestions are made in an effort to contribute to the provision of a remedy for this situation:

First. The Congress will and should retain the right to act on much such business as is usually referred to its Committee on Claims. Remedial measures should look toward a better handling of this business by Congress rather than to passing all of it to some branch of the executive department.

Second. Congress should provide better facilities for the ascertainment of facts and their presentation in condensed, intelligent, and fairly digested form, with well-considered recommendations as to the disposition of the claims.

Third. The committee and Congress need constantly to be guarded against the danger that just demands, not backed by powerful influence, will fail to receive consideration, and that claims, lacking in merit, will be crowded through by powerful support.

Fourth. If the two Houses of Congress would constitute a joint Committee on Claims and furnish that committee with some three capable servants, who might be called examiners

or commissioners, charged with the duty of conducting investigations and hearings on claims and reporting on their facts and merits to the joint Committee on Claims of the two Houses, such an agency ought to be able to make such reports to that joint committee as would enable it and the two Houses to function much more satisfactorily than the present system does.

If a joint committee on claims representing both Houses could not be constituted, then this House should take some action as that suggested to enable its Committee on Claims to report on demands presented in bills expeditiously, and in such manner as to command the confidence of the House, and enable the House itself to dispose of them more satisfactorily. If this were done in a manner which commanded the confidence of the House, its rules might be amended so that the disposition of such business by the House might be expedited, while at the same time fewer improper demands would get through, and many having merit, which are not reported, or fail of passage for lack of attention and for other reasons, might be allowed.

An almost impossible condition has arisen in the Committee on Claims. Thousands of demands, running into many millions of dollars, involving controverted and complicated facts, must be considered only upon a brief ex parte examination, which subjects just claims to the danger of unjust rejection, and exposes the Government to the danger of payment of unjust demands. At the same time many smaller and thoroughly just claims, usually for the relief of people who are not able to organize drives in their behalf, never get attention. One result of the present system is a great accumulation of undisposed-of business which is worthy of attention.

These remarks are not a criticism of the present or preceding committee or their chairmen, whose efforts to deal efficiently and justly with claimants and the public treasury has been witnessed for several years. These things are said in an effort to help point a way out of present conditions, which are chargeable to the system and the enlarging volume of business before us, which will tend to increase as the Government's business increases.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WOODRUM. Mr. Chairman, I yield to the gentleman from Texas [Mr. Box] 10 additional minutes.

Mr. BOX. The foregoing applies to the large portion of claims bills which will remain before Congress and its Committee on Claims. Such of the business as is sent elsewhere for settlement should, in my judgment, be sent to a tribunal or to tribunals in which the claimants and the Government can have judicial consideration such as is given to controversies between other parties. That can be done by authorizing the Comptroller General to investigate and settle the smaller ones, with the right in the parties, when aggrieved, to proceed in the Court of Claims.

The provisions of H. R. 15428, introduced by the gentleman from Illinois, Mr. IRWIN, chairman of the Claims Committee, could be easily amended to make it meet these requirements. In my studies of this situation, I have consulted with members of the Court of Claims. Later, at the request of the committee, several members of that court appeared and discussed with us proposed relief legislation. I now present their review of the situation as H. R. 15428, the Irwin bill, and H. R. 16429, by the gentleman from Ohio [Mr. FITZGERALD], propose to deal with it. That Members of Congress may study this, I ask that I may extend my remarks in the RECORD by inserting that statement, in which I am advised that several members of the Court of Claims agree.

The CHAIRMAN. Without objection, it is so ordered.

There was no objection.

The matter referred to is as follows:

The Court of Claims of the United States should be availed of as provided in H. R. 16429 for the adjudication of claims against the United States for loss or damage to privately owned property and for personal injury or death through the negligence of Government officers and employees. This court has the proper facilities and sufficient personnel, and is sufficiently current with its work to hear and determine such claims with very little, if any, additional expense. Its jurisdiction is coextensive with the territorial limits of the United States.

There is now no general law providing for the determination or adjustment of tort claims against the United States, either by administrative officers or by the courts. In consequence, the Claims Committees of Congress are burdened with numerous private bills for the payment of claims for loss or damage to property and for personal injury or death caused by acts of omission or commission of officers of the United States, and a considerable part of the time of Congress is consumed in the consideration of such of the bills as are favorably reported by the respective committees. The burden on Congress and, as stated in previous reports of committees upon bills seeking to establish a system for the determination of such claims, "the injustice to claimants," has become so great that provision should be made for some other means of adequate and just disposition for settlement and adjudication of claims of this character. From past experience it is not believed that H. R. 15428, providing for administrative investigation, determination, and certification of the record to Congress will solve the problem.

The Court of Claims was established 76 years ago by the act of February 23, 1855. In the beginning it was provided that the Court of Claims should hear cases and certify its findings to Congress for consideration and allowance in the manner similar to that provided in H. R. 15428. This was soon found to be wholly unsatisfactory and was abandoned by Congress in the passage of an amendatory act of March 3, 1863, abolishing the requirement that the Court of Claims should send to Congress the record, evidence, and judgment in the cases heard, and provision was made allowing an appeal from the Court of Claims to the United States Supreme Court. The history of this matter discloses that at the very outset, when the first reports from the court came in, the question arose as to what was to be done with the favorable reports and bills. It was decided to refer them to the Committees on Claims, and that course was ever after followed while the system of reporting to Congress continued. The Committees on Claims finding a mass of evidence, with the briefs in each case referred to them, very naturally felt it to be their duty to go carefully over the whole matter, to read all of the evidence, and to examine the briefs and arguments of the claimants and of the solicitor for the Government. Claimants were uneasy and pressing, and the troubles and perplexities of the members of the committees were numerous. To hear the cases anew, or to examine all the papers in each case and submit the questions which were raised on the facts and the law to the decision of the committee, would require more time and labor of the members than was possible to devote to such duties. If the work which the court had done was thus to be all gone over again in committee, little was to be gained by reference to the court at all; in fact, it was a positive loss and injury to the claimants because they were forced to try their cases twice, while neither Congress nor claimant obtained relief. Favorable reports were often not concurred in or not acted upon at all and were finally lost altogether. Under the act of March 3, 1883 (22 Stat. 485), there was conferred upon the Court of Claims authority to hear and report to Congress its findings and conclusions upon claims for supplies or stores taken or furnished to the military forces during the Civil War. A great many suits were instituted in the Court of Claims and a great many claims that were pending in the departments were brought into the court. There were delays in some cases of 10 years after certification by the court of its findings to Congress before the claims were considered and acted upon by Congress.

There is no reason to believe that an investigation, determination, and certification of claims for damage to property, personal injury, or death, by administrative officers as provided in H. R. 15428 will afford the Congress and the committees thereof any greater relief from the burden already existing or provide for a more speedy disposition of the claims against the Government than was found possible under the original act for the investigation and certification of claims by the Court of Claims; in fact, it would seem to be less practicable since the bill grants to administrative officers authority to hear and to determine questions essentially judicial in their nature when the administrative departments are without adequate machinery, such as the Court of Claims has, to make a judicial determination of such questions.

For some time past the Court of Claims has been keeping current in the hearing and the adjudication of cases that have been gotten ready by counsel for trial and submitted. At the present time the court hears and takes under submission for decision cases that are ready for trial each month. During the past five years the Court of Claims has kept current with its work and has reduced the number of pending cases by about 1,800 cases. On December 1, 1930, there was pending on the court's general docket a total of 1,406 cases; in addition, 182 cases which have not been heard were being held in suspense under stipulations of the claimants that the cases should be governed by the decision of the court in other cases involving the same questions before this court or on appeal to the Supreme Court. (See Report of the Attorney General to Congress dated December 1, 1930, for the year ending June 30, 1930, pp. 64-70.)

The total of 1,406 cases on the docket on December 1, 1930, is classified as follows:

(1) Six hundred and forty-four tax cases involving income, excess profits, estate, and excise taxes. These tax cases, to a greater proportion than formerly, involve questions of administrative procedure; whether the procedure established by the Internal Revenue Bureau is in accordance with law and whether the in-

terpretation of certain administrative acts by the bureau is legally sound. (Attorney General's Report, p. 67.) A considerable number of these cases was occasioned by the changes in the administrative provisions of the internal revenue laws by the act of June 2, 1924, known as the revenue act of 1924 (43 Stat. 253), the act of February 26, 1926, known as the revenue act of 1926 (44 Stat. 9), and the act of May 29, 1928, known as the revenue act of 1928 (45 Stat. 791). It is believed that the provisions of section 284 of the act of February 26, 1926, known as the revenue act of 1926, preventing a taxpayer from instituting suit for the recovery of taxes in the Federal courts of original jurisdiction where such taxpayer has instituted a proceeding before the United States Board of Tax Appeals will result in fewer tax cases being instituted in court for the reason that a taxpayer may go before the United States Board of Tax Appeals and the United States Court of Appeals, and, if necessary, to the United States Supreme Court, before he is required to pay the tax asserted against him. There has been a slight decrease in the number of tax cases instituted in this court over a period of three years from January 1, 1928, to December 1, 1930.

The Supreme Court of the United States has recently handed down opinions in certain cases involving income and excise tax which will operate to dispose of a considerable number of cases pending in the Court of Claims, and other decisions by the Supreme Court in cases that have been argued and submitted will operate to dispose of a considerable number of cases now pending.

(2) Fourteen cases involving the requisitioning of ships during the war. Under the present condition, few, if any, cases of this character will be instituted in future.

(3) Thirty-five cases involving the unauthorized use by the United States of patents. Most of the patent cases involve the use of patents by the Government in its war activities.

(4) Eight railroad rate cases.

(5) Eighty-five Indian cases. These cases involve principally questions of fact and are instituted only under special acts of Congress.

(6) Forty-four cases involving loss of merchandise on Government vessels.

(7) Thirty-seven cases involving claims of officers and enlisted men of the military and naval forces, for allowances for dependent parents.

(8) Thirty-one cases involving recovery of bonus under the act of June 29, 1922.

(9) Two hundred and eighty-seven cases involving claims of various cotton mills under contracts with the Government for the manufacture of cotton linters during the war. (See Report of Attorney General, supra, p. 66.) The legal principle involved in all of these cases has already been decided by the court and these cases involve the question of fact, whether they come within the rule announced in the case already decided.

(10) Two hundred and two cases involving the liability of the Government under contracts and for just compensation.

(11) Ten cases involving damages in transportation of property.

(12) Nine cases involving miscellaneous questions.

The Court of Claims disposes of over 500 cases annually. The average number of cases disposed of annually over a period of the last seven years was 727 cases. The court assures Congress that it can handle any additional work that may arise by reason of the original jurisdiction conferred by H. R. 16429 without serious congestion or delay. Under existing conditions a more prompt adjudication of claims arising under the bill can be had in the Court of Claims than in any other agency or tribunal, and without additional expense.

The Court of Claims is a judicial tribunal; the Comptroller General is not. As a result, the Comptroller General is frequently unable adequately to settle and adjust unliquidated claims for the reason that his office has not available the necessary machinery for determining the merits of many claims which require the taking of testimony, the cross-examination of witnesses, the determination of the measurement of damages, and the weighing of conflicting testimony. See statement of the Comptroller of the Treasury in 21 Comp. Treas. Dec. 134, at page 138, as follows:

"The accounting officers have jurisdiction to settle, except where otherwise provided by statute, any and all claims against the Government, of whatever kind or description that may be presented to them for settlement, and they have the power to allow any legal claim that is supported by evidence fully showing the liability of the Government for the amount claimed or allowed. Some claims, such as claims for unliquidated damages resulting from breach of contract, are of a nature that may and generally do make it impracticable for the accounting officers to determine with accuracy their true merit. Such claims often and generally do call for the taking of testimony, the cross-examination of witnesses, the weighing of conflicting evidence, etc., before any determination as to their justness can be reached. And because of this—i. e., because the accounting officers have not the necessary machinery for determining the merits of such claims, and not because of any lack of jurisdiction—it has been a rule, adopted by successive comptrollers, not to allow them. The real and true reason for such disallowance should be stated, however, and not the fictitious reason generally assigned.

"Then, again, there is a class of claims which involve no element of damages for breach of contract but are claims simply for value, arising upon contract, express or implied. The claim here considered is an example of this class. The accounting officers can and should settle such claims and should allow them whenever the reasonableness thereof and the obligation of the Government to pay are clearly established.

"Wherever, however, such claims resolve themselves into disputed questions of fact, i. e., where the parties differ as to the value of the thing in question, and the accounting officers are unable to determine with any substantial degree of accuracy the correctness of the claim presented, or the true amount due, the claim should be disallowed, leaving it to the parties to assert their rights in a court of law. (19 Comp. Dec. 409.)"

(See also 5 Comp. Treas. Dec. 770, and William Cramp & Sons Ship & Engine Building Co. *v.* United States, 216 U. S. 495. Neither do proceedings before the Comptroller General afford the Department of Justice opportunity to defend claims against the United States.)

It would seem that provision by the General Accounting Office for an adequate hearing and determination of all cases arising under Tiles I and II of H. R. 15428 with a maximum specified in the bill would require considerable additional expense. Whether the General Accounting Office now has a sufficient and competent force to hear and to determine claims arising under this act, and to make adequate findings of fact and recommendation thereon, is not known. Section 311 of Title III of the Budget act of June 10, 1921, Forty-second Statutes, 20, 25, section 52 of the United States Code, Title 31, provides that no attorney appointed by the Comptroller General shall be paid a salary at a rate of more than $6,000 a year and not more than four attorneys shall be paid a salary at a rate of more than $5,000 a year. On the other hand, the Court of Claims, being a judicial tribunal, has ample power and does afford claimant and the Government full opportunity to present testimony orally and to cross-examine witnesses.

Under the commissioner system prevailing in the Court of Claims (act of February 24, 1925, ch. 301, sec. 1, 43 Stat. 964, secs. 269, 270, and 271, U. S. C., Title 28, as amended by the act of June 23, 1930, ch. 573, 71st Cong., 2d sess.) claimants are afforded full and complete opportunity with the least possible expense to them of presenting their evidence in an orderly and judicial manner before a judge of the Court of Claims or a commissioner of the court at Washington or at other points within the United States convenient to the places of residence of such claimants or that of their witnesses.

The Department of Justice does now represent the United States before the Court of Claims. It would seem, therefore, that in conferring upon the Court of Claims jurisdiction to hear and to decide claims for loss or damage to property and for personal injury or death, the Court of Claims should be availed of as provided in H. R. 16429 in order that the parties may have an opportunity to have all claims in excess of $1,000 and up to $50,000 in respect of property and to $7,500 in respect of personal injury or death adjudicated according to the usual judicial form, and that the Government may be adequately represented by the Department of Justice. Claimants would be put to no greater expense or inconvenience in presenting their evidence to the Court of Claims than they would be in presenting the same to the General Accounting Office.

The commissioners of the Court of Claims who take the testimony in most of the cases instituted in the Court of Claims are trained lawyers and have the power and authority generally conferred upon masters in chancery (act of February 24, 1925, 43 Stat. 964, supra). In such cases the testimony of the claimant and of the United States is taken in an orderly manner and all the facts are fully brought out. Thereafter the commissioner hearing the case makes a written report to the court of the findings. Such report is made available as a part of the record to the claimant and the Government and they are afforded an opportunity to take exceptions thereto. The case is then argued before the five judges of the Court of Claims upon the record, the report of the commissioner, and the exceptions thereto, after which the court upon consideration of the record, the arguments, and the briefs, makes special findngs of fact and writes an opinion. Thereafter either party has a right to appeal to the United States Supreme Court by certiorari. It would seem that in these circumstances there exists no obstacle in the way of having claims for loss or damage to property, and personal injury or death, determined and adjudicated by the Court of Claims or that any valid reason exists why the United States should not be willing to consent to the payment of a judgment of the court determining such amount. Aside from the general proposition that it is only just and fair that all persons whose property has been damaged or destroyed, or who have been injured, by the negligent acts of Government officers and employees acting within the scope of their authority and without fault on the part of such persons, should be afforded an opportunity to have their claims promptly determined by a competent judicial tribunal and be adequately compensated by the Government for such loss as may be determined to have been suffered, there is no reason to suppose that the burden upon the Treasury of the United States in respect of this class of claims will be appreciable. An examination of the records of the court would show that in respect of the claims over which it now has jurisdiction only a small proportion of the total amounts claimed annually are allowed or determined to be justly due. For the past year only a little more than one-tenth of 1 per cent of the total of the amounts claimed in cases instituted was allowed by the court. From the figures immediately at hand it appears that, over a period of eight years past, for 1920 the total amount sought to be recovered by claimants in the total number of cases disposed of during such year was $14,410,662.40 and that the net amount allowed such claimants after deducting $13,898.99, awarded the Government on counterclaims, was $1,159,510.03; for 1922 the total amount sought to be recovered by claimants was $22,620,003.00 and the net amount allowed

such claimants after deducting $504,642, awarded the Government on counterclaims, was $1,519,903; for 1924 the total amount sought to be recovered was $317,014,699 and the net amount allowed claimants after deducting $19,059, awarded the Government on counterclaims, was $3,995,683; for 1925 the total amount sought to be recovered by claimants was $33,461,997.38 and the net amount allowed claimants after deducting $714,529.55, awarded the Government on counterclaims, was $3,397,453.95; for 1926 the total amount sought to be recovered by claimants was $61,029,920.03 and the net amount allowed claimants after deducting $10,882.29, awarded the Government on counterclaims, was $7,487,559.45; for 1927 the total amount sought to be recovered by claimants was $92,308,041.86 and the net amount allowed claimants, after deducting judgments in favor of the United States on counterclaims of $66,068.43, was $9,971,537.43; for 1929 the total amount sought to be recovered by claimants was $112,554,483 and the net amount allowed claimants, after deducting judgment in favor of the United States on counterclaims of $6,295, was $12,814,387; for 1930 the total amount sought to be recovered by claimants was $10,343,943,500.63 and the net amount allowed claimants after deducting $4,412.12, judgments awarded the United States on counterclaims, was $14,813,517.15. For the foregoing reasons it is believed that the original jurisdiction of the Court of Claims should be exclusive. Under the system prevailing claimants will be put to no greater expense to present their cases to the Court of Claims than to the District courts. Furthermore, the dockets of the District courts are already congested and civil litigation especially in such courts suffers long delay by reason of inability to have such cases heard and determined. The records of the Treasury Department will disclose that the greatest congestion now existing in respect of tax litigation is in the United States District Courts due to inability to bring the cases to trial. In the Court of Claims as soon as the time for filing an answer by the Government has expired the case is referred to a commissioner of the court who promptly proceeds to take the testimony at Washington, or some other point outside of Washington, after which he promptly makes a report to the court and the case is forthwith placed upon the calendar for trial. The court thereupon adjudicates the questions involved with all reasonable dispatch. The making of the original jurisdiction in the Court of Claims exclusive in cases of the character covered by this bill will result in a more prompt dispatch of the cases and will further result in uniformity of decisions and the building up of a line of cases for the determination of such questions, which is much to be desired.

H. R. 16429 confers upon the Court of Claims exclusive original jurisdiction of all claims in excess of $1,000 for loss or damage to property, and for personal injury or death, liability for which is recognized by section 1, Title I, and section 21, Title II, of that act and H. R. 15428.

In respect of the property-damage claims H. R. 16429 continues the authority for the settlement of these claims first provided in the act of December 28, 1922 (42 Stat. 1066, U. S. C., secs. 215–217, title 31), which placed in the heads of the respective departments and establishments the settlement of property-damage claims not in excess of $1,000. To avoid diversity of rulings among the heads of the departments and establishments H. R. 16429, as does H. R. 15428, provides for the settlement and adjustment in the first instance of such property-damage claims by the Comptroller General. The system of having property-damage claims in small amounts—that is, up to $1,000—settled by the heads of departments and establishments has been in effect for the past eight years and has been generally satisfactory except as to the diversity of rulings, which is remedied by placing the settlement of such claims in the General Accounting Office.

Section 22 of Title II of H. R. 16429 provides for the determination and settlement in the first instance in the General Accounting Office of claims for personal injury or death for $1,000, or less, and the adjudication of claims in excess of $1,000 by the Court of Claims. This provision follows the existing law in regard to the settlement of small claims of $1,000 or less with respect to loss or damage to property, and which it would seem that office might be in a position to settle without much inconvenience or additional expense, thereby avoiding congestion of the court's docket with numerous small claims. Section 2, Title I, section 22, Title II, and section 37 of H. R. 16429, gives to the claimant who has filed his claim for $1,000 or less with the General Accounting Office the right to bring his case into the Court of Claims if he is dissatisfied with the decision of the Comptroller General. The facts found by the Comptroller General are by section 37 of H. R. 16429, made prima facie evidence in the court, and the time within which such action may be brought in the Court of Claims is fixed at 90 days after the mailing to the claimant by registered mail by the Comptroller General of his decision. In the great majority of such cases the parties will confine themselves to the facts that are seriously controverted and to questions of law.

H. R. 16429 provides for prompt notice by the claimant to the Government of any injury and confers upon the Federal Employees' Compensation Commission authority to investigate the acts and to provide and supervise medical examinations of an injured person, thereby affording the Department of Justice and the General Accounting Office an adequate means of preserving facts for the defense of any claim filed or suit that may be brought.

The provision in section 2, Title I, of H. R. 15428 for review by certiorari by the Court of Claims of the decisions of the Comptroller General is entirely inadequate. Certiorari brings up only questions of law upon the record formulated below. As above set forth, the Comptroller General has not the machinery for the formulation of an adequate record for a proper judicial review and the bill makes no provision as to the manner in which the record shall be made in the General Accounting Office or the method to be pursued by that office in the hearing of the case. (Compare secs. 1000 to 1005, inclusive, Title X, act of February 26, 1926, known as the revenue act of 1926.) H. R. 15428 itself recognizes this by the proviso in section 2, that "the record on such review shall consist of a transcript of all the papers filed in the General Accounting Office on the claim prior to its settlement, together with a copy of the decision of the Comptroller General therein."

Reviewing such a record by certiorari would afford the Court of Claims no real opportunity to enter upon such questions of law as the admissibility of evidence, the weight of the evidence, the character of the witnesses, and the like. Permitting the Department of Justice to participate in the review proceeding only does not adequately compensate the Government for the denial to the Department of Justice of the right to represent it at the time when the case is being tried and the record is being built up.

Cases involving loss or damage to privately owned property for causes which might arise under Title I, sections 1 to 4, inclusive, of H. R. 16429, are not essentially different in their nature and character from cases involving the taking or requisitioning of privately owned property for public use over which the Court of Claims now has jurisdiction. The line of demarcation between the taking of property which will entitle the citizen to just compensation and the damage or destruction of privately owned property by officials of the Government acting within the scope of their authority, for which latter acts the Government is not bound and the citizen is not entitled to redress in the courts, is oftentimes very narrow, and it frequently happens at the time such property is damaged or destroyed by Government officers that the citizen has no alternative but to accede to the acts of such Government officials. (See Arthur Bussey *v.* United States (Court of Claims) 41 Fed. (2d) 415.)

Section 2 of Title I of H. R. 16429 provides for the filing of claims with the General Accounting Office or a petition in the Court of Claims within 90 days after the date of the accrual of the claim and section 22 of Title II provides for the filing of claims in the General Accounting Office or a petition in the Court of Claims within one year after the date of the accrual of the claim, and in both instances a period of 90 days after the mailing to the claimant of the decision of the Comptroller General is allowed within which the claimant, if he is dissatisfied with such decision, may file a petition with respect thereto in the Court of Claims. These limitations are designed for the prompt presentation and disposition of the claims and are considered adequate time for the institution thereof.

H. R. 16429 follows existing procedure. Under it the general procedure in cases arising under the bill before the Court of Claims would be identical with the existing procedure in other cases over which the court now has jurisdiction. On the whole, it is believed that H. R. 16429 provides a just, fair, and adequate system for the prompt and orderly determination and settlement of claims for loss or damage to property up to $50,000 and for personal injury or death up to $7,500 resulting from the negligence or wrongful acts of omission or commission of Government officers and employees within the scope of their office or employment. Under it the Congress will be relieved of the burden of considering and passing upon the many petitions for relief for the causes covered by the bill.

Mr. BOX. There is little room for hope that these suggestions can be considered by this Congress or early in the next; nevertheless, they are submitted in the hope that they will be helpful.

One of the major purposes of the Constitution, as declared in its preamble and disclosed by provisions of the instrument, is to "establish justice." That purpose has thus far fallen far short of accomplishment, in so far as it is involved in the handling of the enormous volume of private-claims business by Congress. [Applause.]

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN. The gentleman from Texas yields back seven minutes.

Mr. PITTENGER. Will the gentleman yield?

Mr. BOX. I do not care to go into controversial matters. I have yielded back the balance of my time.

Mr. SUMMERS of Washington. Mr. Chairman, I yield one hour to the gentleman from Texas [Mr. WURZBACH].

Mr. WURZBACH. Mr. Chairman, ladies, and gentlemen, I have requested and have been granted rather liberal time, namely, one hour, to discuss the present status of Muscle Shoals in conference. I asked a liberal allotment of time so that I might be correspondingly liberal in yielding to Members for questions. However, I would much prefer that Members wait until I have finished what I have in mind, and then I shall be glad to yield to Members for any questions they may care to ask about this pending legislation.

Mr. Chairman, ordinarily I would not consider it advisable to discuss on the floor of the House legislation pending be-

fore a conference of which I am a member; but in view of the fact that the Democratic floor leader, the gentleman from Texas [Mr. GARNER], has filed a motion in the House to discharge the House conferees before a report has been made by the conference and while there is still some prospect of an agreement which may lead to legislation, if the issue is clearly understood, and in view of the further fact that two of the conferees have already on the floor of the House given their versions of the proposed legislation on Muscle Shoals pending before the conferees, I now feel that it would be in the interests of securing legislation at this session—and to that extent, at least, remove one reason or excuse for a special session—if I should explain the present status of Muscle Shoals pending before the conferees, and especially the one issue upon which we are at present apparently divided. Were I without hope of an agreement being reached on next Tuesday I would have saved these remarks in explanation of a disagreement. I hope they may be of some assistance toward bringing about an agreement.

I will regret exceedingly the conference on Muscle Shoals resulting in a disagreement. It has been my earnest desire from the first meeting of the conferees until now to sign a report that would meet with congressional approval, have at least a fair chance of Executive approval, and, above all else, a report that would result in legislation securing substantial manufacture of fertilizer for the farmer, if substantial and economic manufacture of fertilizer can reasonably be expected to be accomplished; and I am convinced it can.

It should be said, first, that the language of the statute of 1916, by authority of which Muscle Shoals Dam and the nitrate plants were originally constructed, is the basic law that should guide our legislative action. By that law Muscle Shoals was dedicated to the definite purpose of nitrate manufacture for explosives in time of war, and nitrate manufacture for fertilizer in time of peace. It may be said with certainty that but for that express dedication the dam never would have been authorized. Not one syllable can be found in the law that this dam was built for the purpose of power sale, or power sale and distribution. To now attempt to use it for that purpose primarily (and I want that word emphasized) would be, if not a fraud upon the farmers, at least a violation of the congressional mandate imposed by the act of 1916. If further proof were needed of the particular dedication made by Congress of this Muscle Shoals Dam, that proof is furnished by the fact that an approximate $80,000,000 more was expended by the Government for nitrate plants for nitrate manufacture, usable for explosives in time of war and for fertilizer in time of peace.

Therefore the whole problem of Muscle Shoals legislation must be settled upon the basis of nitrate manufacture in fact, or, failing that, upon the basis of a sincere and honest effort first being made to secure such manufacture. Only after such effort is made, and only when such effort fails, and only when it may be assumed that no future effort will succeed, may Congress properly consider legislation for the sale, or sale and distribution of power. In other words, legislation for the sale of power at Muscle Shoals is justified only as a last alternative, as a last resort, and as an inevitable legislative necessity, following failure to secure manufacture of nitrates for the two purposes stated.

It was upon that basis I sought and labored for an agreement in the conference, and I am frank to say that it was upon that basis alone I was willing to waive my objection to the transmission-line provision, and especially to the revolving-fund language of that provision which appears in the alternative power sale and distribution portion of the proposed legislation, and which can only possibly become effective if no lease is made.

With equal frankness, I want to say that I considered that if a lease provision were put in the conference report that would give reasonable promise of a lease being made, and if a lease followed from such legislation, then such lease would serve as a barrier against the power sale and distribution provisions ever becoming effective, and therefore I insisted upon language in the lease provisions that would likely secure a lease assuring as large quantity production of fertilizer as possible. This was the only honest position I felt I could take, keeping in mind the mandate of Congress as expressed in the basic law of 1916. Manifestly, in order to be entirely consistent with that position, I could not favor language in the report that would make the leasing of the Muscle Shoals property for nitrate manufacture improbable or even impossible. I was not willing to remove the barrier, which the law, our own law, erected against any diversion or misuse of the power generated at Muscle Shoals. The barrier is nitrate manufacture for national defense and nitrate manufacture for fertilizer for the farmers, or such earnest efforts to that end that if unsuccessful, it may be safely assumed that such manufacture is impossible or impracticable. It follows—insincere propaganda of selfish power interests to the contrary notwithstanding—that when that point is reached, when we conclude it is impossible to manufacture nitrates at Muscle Shoals, then some other disposition must be made of Dam No. 2 and for its product—power—if we would not, ostrichlike, stick our heads into the sands of congressional inactivity, and do nothing at all, as we have been doing, so far as practical result is concerned, for the past 10 years. If the power can not be used for nitrate manufacture, and if that fact is demonstrated by inability to lease under liberal terms prescribed by Congress, and if Congress is not willing to throw up the sponge, confess its impotency, by doing nothing, then one of the following three other things must be done: First, Congress could give the dam away. But who would be the donee? That plan is impractical and impossible. Or, second, sell the dam outright. But to whom and at what price and upon what terms? Such a proposition would receive less support from Congress, and would involve more controversial issues than any other disposition heretofore proposed. We may therefore eliminate both of the above suggested dispositions of Muscle Shoals as practical solutions of the problem.

There is only one other disposition that possibly could be made, if and when it is determined that Muscle Shoals power can not be used for nitrate manufacturers for large-scale production through private operation, and such private operation by a lessee is the kind of operation I am now discussing, and no other is contemplated by the proposed legislation the conference has under consideration. No minority in Congress, respectable in size, is now advocating nor will probably advocate in the future, large-scale operation by the Government itself of Muscle Shoals for fertilizer production. Certainly no majority of either House of Congress would. Therefore, briefly summarizing, if no lease of the properties can be made for nitrate production, or what amounts to the same thing, no lessee can be secured for such operation, and if the dam can not be gotten rid of by gift or sale, then we come to and are confronted by the third and last alternative, namely, disposition of the product of the dam, to wit, its hydroelectric power.

If such a situation should arise—and just such a situation is anticipated in the proposed legislation the conferees have under consideration, but only as an alternative and only in the event no lease could be made—then in just such a situation, and under just such conditions and circumstances, a vote for the sale of the power of Dam No. 2 would not only be justified but such a vote as a matter of plain fact could not be avoided, except only if a Congressman, again ostrichlike, preferred to hide his head in the sands of an unreasoning and stubborn obstinacy, determined only to be against everything and anything, and wholly regardless of the loss he would thereby force his Government to sustain by permitting the power to go unused and unsold, or force a continuance of the present policy of selling a very insignificant portion of the power at a very insignificant price.

It is unfair and improper, therefore, to charge that a Congressman voting for the sale of the power at Muscle Shoals under the given circumstances—under the given circumstance, mind you—would be voting for the principle which opposes Government competition with private enterprise. This charge is the result of a misunderstanding of the proposed legislation the conferees have under consideration by those who are honestly mistaken, but much of

it was originated by selfish power interests to influence the votes of Congressmen. If these critics had studied and analyzed the proposed legislation the conferees are considering, with the amendment I proposed to the conference, and understood its import, they must conclude that it violates no such principle of government as above mentioned, except only, if then, as a matter of inescapable legislative necessity. Again, I repeat, this conclusion is justified only under the "given circumstances" referred to.

There is the most glaring inconsistency in charging that it is all wrong to sell power over transmission lines but all right to sell at the switchboard. If one is right, both are right; if one is wrong, both are wrong. One violates the principle opposed to Government competition, and so does the other. The location of the switchboard, whether it is one-half mile or 10 miles from the dam and the generating machinery, can not determine whether the great principle sincerely invoked by some and insincerely invoked by others has or has not been violated. Such distinctions are almost childish. Such contention, if carried to its logical conclusion, would justify the further contention, if it suited the purpose, that the purchaser of power should go to the generating plants or to the dam itself and generate his own power or finally each to build and maintain his own part of the dam.

The Alabama Power Co. is the recipient of this Government-generated power at a very low price. We hear no complaint from this company against Government competition with private power producers in the production of power. There is a reason. I have already given it. The cheap power the company is receiving. That is the reason. Nor is any other power company in that region or elsewhere complaining of competitive production of power. There must be a reason. There is. At least one of the supposed competing companies of the Alabama Power Co. has hitched onto the latter's convenient transmission line and is getting "some of the same juice" at no doubt mutually satisfactory terms. That is business, of course. Good, legitimate business, according to all the latest and approved forms. The suspicion naturally arises that a sale to one is a sale to all, and at least raises the suspicion of a power combination or monopoly.

There is danger that those power companies conducting their business in a legitimate manner being classed with those that are strongly suspected of violating the spirit, if not the letter of the laws for the protection of the people against greedy monopoly. They should remember that not so many years ago the lawlessness of some of the open saloons resulted in the banishment of all of them, without regard to whether they were considered good or bad. Power companies should profit by that example.

A great to-do is being made about the building of transmission lines as contemplated, but only remotely contemplated, by the proposed legislation. Transmission lines can only be built upon the recommendation of the board appointed by the President of the United States. It is intimated and charged that the board would build lines uneconomically, wantonly, carelessly, and without regard to the Government's interest, and those charges emanate principally from gentlemen who are in full accord with the policy of the Government selling power at the switchboard. These gentlemen, by that assertion, if they prove anything, prove too much.

If the President's board can not be trusted to use reasonable business judgment, care, and honesty in the matter of, first, whether or not, then when, where, and to what extent to build, maintain, and manage transmission lines, then the board could not be trusted at the switchboard where it would have tremendous power and responsibility in the matter of rates for power, its apportionment to municipalities, and so forth. Personally, I am not much concerned about the bugaboo of transmission lines, especially as there would be no power remaining for transmission, or at most a negligible quantity, if Congress will but act wisely and pass legislation making it not impossible, but highly probable, to lease the nitrate plants for fertilizer manufacture. This brings me back to the principal matter I desire to discuss to-day.

The matter of overshadowing importance that Congress must decide, and decide wisely, is the writing of the lease language in such a way as to make the leasing of the plants for fertilizer manufacture as sure as possible, but at the same time guarding both the Government's and the farmers' interests. If this is done we practically if not entirely eliminate all the power sale and power distribution difficulties and objections; we carry out the mandate of Congress by actually securing quantity production of fertilizer for the poverty-stricken farmer; we give employment to thousands of workmen, and give Members of Congress an opportunity to support legislation without doing violence to deep-seated convictions against government engaging in private business, and at the same time (and this is important) denying to a certain class the much-sought opportunity of claiming this proposed Muscle Shoals legislation as their wooden horse to conceal their soldiers of socialism. They can not establish that claim if this legislation is handled in a sensible way in the important matter of the lease provisions of the proposed legislation being considered by your conferees.

I come now to the very vitals of the problem, the issue that must be settled right, lest we enter into a labyrinth of legislative difficulties and governmental inconsistencies, and into paths of betrayal of the American farmers' interests, in a manner vested in them by the act of 1916. The outstanding obligation of Congress in the consideration of Muscle Shoals legislation then is to make every effort to bring about quantity production of fertilizer by so legislating as to make it possible and easy to secure a lessee who will take the property, operate it, and manufacture fertilizer, safeguarding the Government's interests and the farmers' interests at the same time, and especially making sure the quantity of fertilizer to be manufactured. All depends upon the securing of a lessee. It is not altogether certain that a lessee can be obtained under the most favorable terms Congress is willing to prescribe. It is my judgment that a lessee can be secured, but if not, then, in that event, the fertilizer element passes out of the picture entirely and we are faced with Government sale or Government sale and distribution of power, inevitably.

As no lease means no fertilizer, and as all the conferees, those on the part of the Senate and those of the House, profess that their whole desire is to lease the property for quantity fertilizer production, and as all the conferees are agreed upon the safeguarding language of the proposed legislation, especially as relates to the quantity production stipulations, let us see what our differences are and what alone now threatens a disagreement. Only one thing. The adoption of an amendment I shall presently give and explain means a favorable report; its rejection means a disagreement from which no legislation can result.

Two of the House conferees, the gentleman from Tennessee [Mr. FISHER] and myself, expressed their willingness in writing to join with a majority of the Senate conferees in signing a conference report; and a third member of the House conferees, the gentleman from Mississippi [Mr. QUIN], agreed to sign on the same terms if Senator NORRIS would agree. Senator NORRIS's agreement or disagreement would carry with it Mr. QUIN's agreement or disagreement. The one and only obstacle that will prevent the signing of a report will be the failure to agree to an amendment offered by myself to subdivision (c) of section 25 of the proposed legislation. The Senate conferees insist upon the following language unamended, having reference to the products the lessee would be permitted to manufacture:

SEC. 25. Subdivision (c). The lessee shall covenant to operate said plants and use said property exclusively in the production and manufacture of fertilizer and fertilizer ingredients to be used in the manufacture or production of fertilizer: *Provided, however,* That if in the manufacture of fertilizer or fertilizer ingredients, a by-product is produced which is not an ingredient of fertilizer, the lessee shall have authority to sell and dispose of such by-product as the lessee shall see fit and shall likewise have authority to process such by-product so as to prepare them for the market.

The House conferees named above insist upon the following amendment added to and following the language just read:

Provided, however, That if in the manufacture of fertilizer, ingredients usable in fertilizer are produced, the lessee shall have the authority to sell and dispose of such product as the lessee shall see fit, and shall also have authority to process such product so as to prepare it for the market, but only if and when the lessee has fully complied with the provisions of the lease, prescribing the quantity of fertilizer he must produce.

An effort has been made in interviews given to the press to becloud the issue by charging that the House conferees who favored the above amendment had earlier in the conference agreed, or tentatively agreed, to the original language later sought to be amended by them and were, by proposing the amendment, violating their alleged original agreement. This I deny. But why the necessity of denial or of discussing an immaterial matter? If there had been a tentative agreement, induced by misunderstanding or even dumb ignorance on my part or on the part of any conferee of the meaning of the language alleged to have been agreed to, it still would have been the privilege and duty of any such conferee to act finally as his best judgment dictated. I decline to further discuss what is not an issue and in every sence so apparently immaterial.

On January 13 the gentleman from Tennessee [Mr. FISHER] and I submitted to the conference the following statement:

JANUARY 13, 1931.

To the Senate and House conferees having under consideration Senate Joint Resolution 49:

GENTLEMEN: We are ready to sign a report containing the provisions of Senate Joint Resolution 49, if the leasing provisions as contained in the draft, herewith attached, that has been under discussion in conference is accepted, with the following proviso added to subdivision (c) of section 25:

"*Provided, however,* That if in the manufacture of fertilizer, ingredients usable in fertilizer are produced, the lessee shall have the authority to sell and dispose of such product as the lessee shall see fit and shall also have authority to process such product so as to prepare it for the market, but only if and when the lessee has fully complied with the provisions of the lease prescribing the quantity of fertilizer he must produce," and that section 26 be amended to correspond with the proposed amendment above, so as to read:

SEC. 26. The corporation hereinbefore referred to, operating the steam plants at Muscle Shoals and Dam No. 2, and any other steam or hydroelectric power facilities which may hereafter be constructed or built as hereinbefore provided in this act, shall supply the said lessee with power necessary for the operation of the properties leased for the manufacture of the products mentioned in subdivision (c) of section 25 hereof, at a price which shall be deemed by the President and the board as fair and just.

If Mr. QUIN, one of the House conferees, will agree with us in the amendments as above proposed, and a majority of the Senate conferees will also agree, a conference report will be signed and Congress given an opportunity to vote; otherwise a disagreement must be reported. Mr. QUIN states that if Senator NORRIS will agree to above terms he will agree.

HARRY M. WURZBACH.
HUBERT F. FISHER.

I shall add at the end of my remarks the exhibit referred to so that the exhibit, which includes the amendment proposed, will show what the conference report pertaining to the lease provisions will be if an agreement should be reached.

The language of subdivision (c) of section 25, without the amendments proposed, needs an analysis and explanation in order to make clear its meaning. It provides that fertilizer ingredients "used in the manufacture or production of fertilizer," or, to more properly express the contention of the Senate conferees, fertilizer ingredients "usable in" the manufacture or production of fertilizer, are not permitted even to be sold by a lessee, to say nothing of processing them for the market. The poor choice of words "used in" instead of "usable in" no doubt brought about the misunderstanding of at least some of the conferees, which led to the apparent tentative agreement on this paragraph.

Until I spoke to Senator NORRIS over the phone on Saturday before our last meeting of the conference on Tuesday, January 13, and learned that fertilizer ingredients usable in fertilizer manufacture, according to his construction of the language, could not be processed or even sold by the lessee, did I have a clear understanding of subdivision (c), and then it was that I realized that such an amendment as I proposed was essential in order to have any kind of chance to lease the nitrate plants for fertilizer manufacture under the other provisions of the lease sections of the proposed legislation.

I can not too often repeat that I am for fertilizer manufacture first, but definitely first, and for language that will make such manufacture not only possible but probable, and then, and not till then, for power sale and distribution and only as a forced alternative. When I say I am for fertilizer manufacture I do not mean merely a congressional declaration to that effect. We have already had too many of these empty, high-sounding, and little-meaning declarations that have been the chief cause of the long delay, resulting in nothing at all. What I mean is that I want legislation that will do the thing we profess we want done, and to do that we must pass legislation that will by its very terms make that thing possible and probable.

In my opinion, it is a certainty that subdivision (c) unamended will prevent a lease from being made, even if it, together with the other language of the proposed legislation, received congressional approval. If Congress were to submit such legislation to the President, he would, as he ought, disapprove it, and receive the country's approval for so doing. I would be surprised if he would not use that very subdivision (c) unamended as a peg upon which to hang his veto. I say this without having the slightest knowledge of the President's views or intentions.

I have not consulted the President nor any of the Republican leaders on this proposed legislation. My conclusions are reached from my own study of it, and I never had a firmer conviction in my life that we will only be wasting time, and fooling ourselves, if we should accept this subdivision (c) in its unamended form. So believing I decline to accept it, but prefer to sign a report of disagreement.

I can easily follow along with the Senate conferees in insisting upon language that would prevent a lessee from diverting "fertilizer ingredients usable in fertilizer" so as to prevent fullest production of fertilizer manufacture. The quantity production requirements safeguard and demand fertilizer production up to the full capacity of the nitrate plants, and further require, in case of no market demand, to keep large stocks in storage. The fact of "large stocks in storage," not less than a quantity having a pure nitrogen content of 2,500 tons (equivalent in nitrogen content to 16,480 tons of Chilean nitrate of soda), is more than mere proof of no market demand; it is the very state and condition of no such demand of fertilizer manufactured and sold under the conditions it could be sold at Muscle Shoals. That language expresses and marks the saturation point of production and demand at Muscle Shoals, and greater production capacity of the fertilizer plants would mean no greater manufacture, however much their capacity might be increased beyond the capacity required by the terms of the lease, following the proposed law.

This answers the contention that my amendment would induce a lessee to keep down the extension of fertilizer manufacture when the quantity requirements were reached, to the detriment of fertilizer manufacture. Why manufacture more when no more is needed, or no more can be used? The storage rooms are full to overflowing. And why, I ask, should the lessee, when this point of full production, measured by the full capacity of the plants and other plants "as the board may find to be economically adapted to the fixation of nitrogen," plus a condition of no demand for Muscle Shoals fertilizer, why, I ask, should the lessee under such circumstances not be permitted to use the plants and power allotted to him for the manufacture, sale, and, if necessary, processing ingredients "usable," but then not needed in fertilizer manufacture? This is all the amendment proposes to add to the power the Senate conferees are willing to concede to a lessee.

It is true the amendment would permit the manufacture of electrochemicals under the conditions stated in the

amendment. But why not, if the plants and power could not under these circumstances be practically used for any other purpose and the plants and power for that period forced to lie idle and unused. Such limitation as the Senate conferees insist upon would mean no lease and no fertilizer. The amendment would mean a lease, without the slightest actual reduction in fertilizer manufacture, and the opportunity to use the full power allotment all the time. The quantity requirements are as follows:

(d) Said lease shall also provide that there must be manufactured under said lease annually at least a prescribed amount of nitrogenous plant food of a kind and quantity and in a form available as plant food and capable of being applied directly to the soil in connection with the growth of crops and that such lease shall also contain a stipulation requiring the lessee to produce within three years and six months from the date such lease shall become effective, such fertilizer or fertilizer ingredients containing not less than 10,000 tons of fixed nitrogen, and shall require periodic increases in quantity of such fertilizer or fertilizer ingredients from time to time as the market demands may reasonably require. Such lease shall also provide that such increases shall, within 12 years after such lease becomes effective, reach the maximum production capacity of such plant or plants as the board may find to be economically adapted to the fixation of nitrogen, if the reasonable demands of the market shall justify the same, except when the nitrogen produced is required for national defense, or when the market demands for the same are satisfied by the maintenance in storage and unsold of such fertilizer bases or fertilizers containing at least 2,500 tons of fixed nitrogen, but whenever said stock in storage shall fall below the quantity containing 2,500 tons of fixed nitrogen, the production of such nitrogen and the manufacture of such fertilizer bases or fertilizers shall thereupon be resumed.

These requirements as to quantity production call for the largest possible fertilizer production, and as large as have been called for in any bill reported by any committee of this or any Congress. Until those requirements as to quantity production are fully met, I would be as strongly opposed as anyone to the lessee using fertilizer ingredients usable for fertilizer production in the manufacture of any product except fertilizer only, permitting the lessee to process and sell only those other products or by-products "not ingredients of fertilizers." Processing and selling these latter products "not ingredients of fertilizers" is permitted by subdivision (c) unamended, and there is no dispute as to these by-products, and the amendment offered does not affect them in any degree. The amendment refers only to the selling and processing of those fertilizer ingredients usable in fertilizer manufacture. Nitrate and phosphorus are two such ingredients, and which subdivision (c) unamended debars the lessee from processing and selling, or selling without processing under any and all conditions, but must, under any and all conditions, be used only in fertilizer manufacture, regardless of fertilizer demand, and even after the lessee has fully met all the quantity requirements, including fertilizer in large quantity in storage. Such a provision would prevent under the conditions indicated any manufacture at all. The waters of the Tennessee River would run over the dam unused. The fertilizer plants and the by-products plants, all shut down, its employees discharged or laid off until forced resumption of business only if and when the quantity of fertilizer in storage fell below a quantity containing a fixed nitrogen content of 2,500 tons. With such a hideous prospect in view, does anyone believe that any business man, or association of business men or farmers, would even start negotiations for a lease of the Muscle Shoals properties for fertilizer manufacture?

If it should be argued that a lessee could prevent a shutdown of the plants by continuing in the manufacture and processing of those by-products not ingredients of fertilizer which are permitted to be processed and sold, under subdivision (c) unamended, the answer is that there would be no such by-products for processing unless the lessee would be willing to engage in a crazy manufacturing scheme of producing by-products not usable in fertilizer in the course of which the main products, such as nitrates and phosphorus, would have to be destroyed or wasted because not permitted to be sold.

If I have given a true and correct analysis and construction of subdivision (c) unamended, and of the effect of its operation, and I am sure I have, then it follows that no lease could be made, subject to its limitations and restrictions, and therefore it follows further that whoever insists upon its inclusion is directly responsible for the failure to manufacture fertilizer at Muscle Shoals and in the quantity that could be manufactured under the present proposed legislation, with only the addition of the amendment offered which would release the restriction against sale by the lessee of ingredients usable in fertilizer manufacture, when such restriction could serve no useful purpose, but would only prevent any lease being made at all.

I stated, and I repeat, that without the amendment permitting a lessee to produce and sell, processed or not processed, fertilizer ingredients usable in the manufacture of fertilizer, there would be inevitable waste, or nonuse, of water power if and when full fertilizer production of the plants is reached, including specified amount of fertilizer in storage. If it is contended that under such conditions the unused power would be available for other use, sale, or distribution, the answer is, that such unused power would be subject to recall by the lessee whenever the amount of fertilizer in storage fell below the 2,500-ton requirement. The power allotted to lessee would be subject to his recall whenever he needed it. Such uncertain power, when temporarily not in use by lessee, could not be advantageously sold, if it could be sold at all, and would therefore be a total loss because a total waste.

It should be needless to add that whatever provisions may make a lease more probable, because more attractive from the standpoint of sound and wise business principles, would be reflected in the price a lessee would be able and willing to pay for the power used and the rental paid for the nitrate plants. Manifestly, therefore, with the liberal but safely liberal amendment I proposed, the President, sitting across the table from a prospective lessee, could demand and receive better financial returns for the Government.

The charge that the insistence of Mr. FISHER and myself for the inclusion of the amendment is not prompted by good faith and a desire for fertilizer manufacture and is the result of some undisclosed trickery, is unfair, unsportsmanlike, and designed to becloud the issue, and unworthy of serious attention. If the reasons I have given, tediously given, I am afraid, do not justify our insistence upon the amendment discussed and our refusal to sign a report without its adoption, and thus in the strongest manner possible show our good faith, it would be futile to deny the accusation. I counter with the suggestion that if those making such a charge, opposing our position, can give equally good reasons for their opposition to the more liberal but governmental safeguarding amendment I propose, then I would not be so much inclined to conclude that the amendment is objected to, not because it prevents or reduces fertilizer manufacture but because it promises fertilizer manufacture in large quantity, and thus using up the power for that proper purpose and leaving little, if any, for sale and distribution.

What I have said to-day in explanation of the present status of proposed Muscle Shoals legislation which is now being considered by the Senate and House conferees I will gladly say in support of a conference report embodying the discussed amendment.

Before I close—I have just read referendum No. 57 on the Report of the Special Committee on National Water Power Policies. I presume I am indebted to the Chamber of Commerce of the United States of America for the interesting document containing that report. Other Members of Congress who have also been favored with copies of the publication seem to have concluded, either because they have not read it carefully or because they have not familiarized themselves with the proposed legislation the conference has under consideration, that such proposed legislation violates the principles or policies announced in the special committee's conclusions or in the majority verdict. The leasing provisions of the proposed legislation—assuming that a lease could and would be made under its terms—would not only not violate the separate verdicts of the local chambers of commerce throughout the country, nor the final,

judgment announced thereon by the national organization, but, on the contrary, would be in literal accordance therewith.

The only proposition submitted to the chamber of commerce members of the national organization is No. 15, reading as follows:

The committee—

Meaning the special committee on national water power policies of the Chamber of Commerce of the United States—

recommends that the Muscle Shoals project should be sold or leased.

This recommendation, it seems, was approved by a large majority. The quoted language was printed on the ballots.

The formal and final conclusions of the special committee are as follows:

We see no reason why the existing fertilizer plants at Muscle Shoals—

This evidently intended to mean "nitrate plants," as there are no "fertilizer plants" at Muscle Shoals—

should not be appraised and sold or leased for what they are actually worth as a means of manufacturing fertilizer or for any other purpose, and that the same should be done with the power plants.

The remainder of the paragraph has reference to "development of power at other points on the Tennessee River" and has no reference to the question of the sale or lease of the power at Muscle Shoals.

The special committee concludes further:

That, as the Muscle Shoals project is not equipped to use the most modern and economical methods of nitrogen fixation and is, therefore, of relatively little value for agriculture or national defense, it be sold or leased as it now stands on the best possible terms.

Summarizing the verdict and the findings and condensing the language, this is what the Chamber of Commerce of the United States recommendation says: First, that the nitrate plants should be sold or leased in their present condition. That is exactly what the lease language of the proposed legislation seeks to do, but by a lease of and not sale of the plants. Second, it recommends that the power plants or their power should be sold or leased. And that is also exactly what the lease language seeks to do—namely, by selling the power, but not the dam itself, and not, however, by selling power to the Alabama Power Co. or some other power company for distribution and profit, but by sale to the Government's lessee of the nitrate plants for fertilizer manufacture. I thank the Chamber of Commerce of the United States of America for its constructive contribution to the hoped-for solution of the Muscle Shoals problem.

If this great organization will now lend its influence toward securing legislation which will make it easy to secure a lease, providing for manufacture of fertilizer and products incident thereto, and thus finding a means to dispose of the nitrate plants and the power profitably in the same transaction, it will have performed a great public service and at the same time have prevented the power sale and distribution alternative from becoming effective, because under such a lease, if made, there would be no power to distribute or even sell. A sale to the lessee would be strictly a sale at the switchboard and a sale for direct use and not for resale. I suggest to the Chamber of Commerce of the United States a study of the lease provisions of the proposed legislation, if it has not already done so, and especially the amendment I proposed, and then assist in securing such a lease.

I believe that I owed the Members of the House this explanation. I have, during all the deliberations of the conference, acted in a judicial capacity, impartially, without partisan bias or prejudice, and seeking only an intelligent, just, and finally effective disposition of this age-worn Muscle Shoals problem. [Applause.]

The exhibit above referred to is as follows:

EXHIBIT

Senate Joint Resolution 49

Add at the end of the joint resolution the following new sections, Nos. 25, 26, 27, and 28:

"SEC. 25. That for 12 months following the passage of this joint resolution the President of the United States is hereby given authority to lease, for a term not exceeding 50 years, to any person, firm, or corporation, the nitrate plants now owned by the Government at Muscle Shoals, Ala. Said lease shall include the Waco quarry, the railroad connecting said quarry with nitrate plant No. 2, and other structures connected therewith and necessary for the operation of said railroad, for the operation of said Waco quarry, and for the operation of said nitrate plants Nos. 1 and 2, but not including steam-generating plants. The lease shall also include the machinery, tools, and equipment connected with said quarry, said railroad, and said nitrate plants; also the houses and residences in the vicinity of said quarry and said nitrate plants for the purpose of housing the employees and others needed in the operation of said quarry, said railroad, and said nitrate plants, but not including houses and buildings connected with either of said steam plants and used and occupied or useful for the occupation of employees and others operating said steam plants, and not including that portion of the reservation west of Spring Creek. Said lease shall be made upon the following conditions, to wit:

"(a) The rental to be paid for the leasing of such property shall be in such amounts and payable at such times as in the judgment of the President shall be fair and just.

"(b) The lessee shall covenant to keep said property in first-class condition during the entire term of said lease.

"(c) The lessee shall covenant to operate said plants and use said property, exclusively, in the production and manufacture of fertilizer and fertilizer ingredients to be used in the manufacture or production of fertilizer: *Provided, however,* That if in the manufacture of fertilizer or fertilizer ingredients a by-product is produced which is not an ingredient of fertilizer, the lessee shall have authority to sell and dispose of such by-product as the lessee shall see fit and shall likewise have authority to process such by-products so as to prepare them for the market. (*Provided, however,* That if in the manufacture of fertilizer ingredients usable in fertilizer are produced, the lessee shall have the authority to sell and dispose of such product as the lessee shall see fit and shall also have authority to process such product so as to prepare it for the market, but only if and when the lessee has fully complied with the provisions of the lease prescribing the quantity of fertilizer he must produce.) (Proposed amendment.)

"(d) Said lease shall also provide that there must be manufactured under said lease annually at least a prescribed amount of nitrogenous plant food of a kind and quality and in a form available as plant food and capable of being applied directly to the soil in connection with the growth of crops, and that such lease shall also contain a stipulation requiring the lessee to produce within three years and six months from the date such lease shall become effective such fertilizer or fertilizer ingredients containing not less than 10,000 tons of fixed nitrogen, and shall require periodic increases in quantity of such fertilizer or fertilizer ingredients from time to time as the market demands may reasonably require. Such lease shall also provide that such increases shall, within 12 years after such lease becomes effective, reach the maximum production capacity of such plant or plants as the board may find to be economically adapted to the fixation of nitrogen, if the reasonable demands of the market shall justify the same, except when the nitrogen produced is required for national defense, or when the market demands for the same are satisfied by the maintenance in storage and unsold of such fertilizer bases or fertilizers containing at least 2,500 tons of fixed nitrogen, but whenever said stock in storage shall fall below the quantity containing 2,500 tons of fixed nitrogen, the production of such nitrogen, and the manufacture of such fertilizer bases or fertilizers shall thereupon be resumed. Said lease shall also provide that the sale of such fertilizer or fertilizer ingredients to be used as fertilizer by the said lessee shall be at a price to include the cost of production and not exceeding 8 per cent profit on the turnover produced, and the cost shall include whatever may be paid to the Government for the use of that part of Government property employed by the lessee in manufacturing such fertilizer or fertilizer ingredients to be used as fertilizer and also not exceeding 6 per cent on any capital invested by the lessee in improvements to existing plants or in additional plants employed in the manufacture of fertilizer or fertilizer ingredients to be used as fertilizer, and shall include a reasonable actual carrying charge (exclusive of 8 per cent profit thereon) on the stocks of such fertilizer and fertilizer ingredients as are held in storage and unsold for a year or more as the market demands as above provided shall be satisfied. There shall not be included as part of the cost of producing such fertilizer or fertilizer ingredients any royalty for the use by such lessee of any patent, patent right, or patented process belonging to the lessee, or in which the lessee has any interest, or belonging to any subsidiary or allied corporation, or belonging to or controlled by any officer or agent of the lessee of any such allied or subsidiary corporation, and if the lessee should buy any patent, patent right, or patented process with the hope and expectation of thereby reducing the cost of manufacturing such fertilizer or fertilizer ingredients or of processing any by-product as hereinbefore permitted, then such sum of money as shall be so paid by the lessee shall be considered and treated in the accounting of the cost of such fertilizer bases or fertilizers as investment in the nature of plant account, and not as current expenses, and such costs shall be written off on the expiration of any junior patent or license so acquired. For the annual determination of the cost of such fertilizer bases and fertilizers there shall be appointed by the board a production engineer, and by the lessee another production engineer, and by these a firm of certified public accountants, and these three shall proceed to ascertain and com-

pute the cost of producing such fertilizer bases and fertilizers; and in the event of any disagreement the two said engineers shall select a third production engineer who shall hear and consider the contentions and decide the issues, and such decisions shall be binding upon all parties for the year for which the determination shall have been made. A copy of such audit and decision shall be filed each year with the board and by it preserved. The expenses incident to this provision shall be paid by the lessee and shall be charged as an item in the cost of producing such fertilizer bases or fertilizers. If such annual cost determination discloses that any purchasers have paid a cost for fertilizer bases or fertilizers in excess of that allowable under this act, then the lessee shall refund such excess to the respective purchasers.

"(e) The said lessee shall give to the said corporation on a good and sufficient bond to be approved by the President of the United States, conditioned upon monthly payments to the corporation during the term of said lease for all the power sold by the said corporation to the said lessee.

"SEC. 26. The corporation hereinbefore referred to, operating the steam plants at Muscle Shoals and Dam No. 2 and any other steam and hydroelectric-power facilities which may hereafter be constructed or built as hereinbefore provided in this act, shall supply the said lessee with the power necessary for the operation of the properties leased for the manufacture of the products mentioned in subdivision (c) of section 25 hereof at a price which shall be deemed fair and just by the President and the board.

"SEC. 27. For a period of 12 months after the passage of this act all the provisions of this act relating to the activities of said corporation in the manufacture and production of fertilizer and fertilizer ingredients and to the operation of any of the property authorized to be leased by this act are hereby suspended; and if, within said period, the President leases the property authorized to be leased, such suspension shall continue during the entire time said lease is in effect.

"SEC. 28. If within 12 months after the passage of this act no lease is made by the President as herein authorized, then authority to make such lease shall cease and sections 25, 26, and 27 shall, at the end of said 12 months' period, become null and void, and all the other provisions hereof, which have been suspended for said period of 12 months, shall at once go into full force and effect."

Mr. GARNER. Will the gentleman yield?

Mr. WURZBACH. I will be glad to yield.

Mr. GARNER. In case you fail to get an agreement next Tuesday, will the gentleman report a disagreement to the House?

Mr. WURZBACH. I am not the chairman of the House conferees, but I suppose he will do the proper thing, whatever that may be.

Mr. GARNER. Would the gentleman join with Mr. FISHER and Mr. QUIN in making a disagreement report to the House?

Mr. WURZBACH. I do not see any present objection to it.

Mr. GARNER. I am asking the gentleman whether he would be willing to join with Mr. FISHER and Mr. QUIN in making a disagreement report to the House so that the House may take some action.

Mr. WURZBACH. I have no objection to that at all.

Mr. WILLIAMSON. Will the gentleman yield?

Mr. WURZBACH. I yield.

Mr. WILLIAMSON. The gentleman has made a most interesting and persuasive argument in favor of his position as one of the conferees. Is the gentleman satisfied that a part of the power at Muscle Shoals can ever be used successfully and profitably for the purpose of manufacturing fertilizer under modern conditions?

Mr. WURZBACH. I am. I am as satisfied as a man having my information could be satisfied, and I think I have about as much unbiased opinion as anyone else. I believe that under a liberal amendment for the manufacture of by-products, along the lines suggested by me, a lease could be made.

Mr. WILLIAMSON. I take it the gentleman has come to the conclusion that unless his amendment is adopted fertilizer can not be successfully manufactured at the plant in competition with fertilizer manufactured by different processes?

Mr. WURZBACH. I am absolutely convinced that proposed legislation such as the conference is considering, without the liberalizing amendment, even if it were to pass the House, and even if it received Executive approval, would mean no fertilizer because it would mean no lease of the nitrate plants. No lessee would even negotiate for a lease on any such terms.

Mr. WILLIAMSON. Which would have the result, I take it, of making this plant a purely power proposition?

Mr. WURZBACH. That would be the effect of it. It would make impossible or improbable the operation of the nitrate plant for fertilizer manufacture, which would mean, and could not mean anything else, than that it would be wholly a power sale, or power sale and distribution proposition.

Mr. ALMON. And the power companies would continue to get the benefit of the plant? The power companies are now getting such power as they want at their own price, and the fertilizer plants are standing in a stand-by condition, so that if there is no legislation the power companies will be the beneficiaries of the failure to get legislation.

Mr. WURZBACH. That is true. I want to say that I understand the Government is now receiving the very insignificant price of 2 mills per kilowatt hour, and is then able to sell only a small proportion of the power that is now running over the dam; and that the Alabama Power Co., the lessee, is using the power, I think, only during low water stages, when their own power is probably very low.

Mr. MAPES. Will the gentleman yield?

Mr. WURZBACH. I yield.

Mr. MAPES. I understood the gentleman to say that if the nitrate plants were leased for the manufacture of fertilizer they would take all of the power developed at Muscle Shoals. Would that include the power that might be developed after the construction of the Cove Creek Dam?

Mr. WURZBACH. Well, I do not know; but to manufacture fertilizer having a nitrogen content of 40,000 tons annually would require about 45,000 kilowatts per year of power, and they are at the present time, I understand, producing hydroelectric power at Muscle Shoals of about 82,000 horsepower, which means about 60,000 kilowatts, and they have about an equal amount of steam power at the steam plant available to supplement the hydroelectric power.

Now, answering the gentlemen's question directly, the completion of the dam at Cove Creek, which is primarily a dam to retain the waters for release, would about double the hydroelectric power at Muscle Shoals. If 45,000 kilowatts of power only is applied to the manufacture of fertilizer, manifestly there would be 60,000 plus 60,000, less 45,000 kilowatts, or 75,000 additional kilowatts. That increase of power at Muscle Shoals would be available for further manufacture and the extension of the nitrate plant, depending, of course, upon whether or not fertilizer could be manufactured at Muscle Shoals profitably and economically.

I assume the board that would have that under its control might be able to sell the additional 75,000 kilowatts of power to the lessee, but I will say this: Under present power development at Muscle Shoals, the 60,000 kilowatts would be practically used up in the manufacture of fertilizer if the fertilizer requirement reached 40,000 tons of nitrogen-content fertilizer.

Mr. MAPES. The gentleman says that unless more than 40,000 tons of nitrates were produced, there would be, with the development of the Cove Creek Dam, some power to dispose of.

Mr. WURZBACH. Yes.

Mr. MAPES. There seems to be a great difference of opinion on this point; many different statements are made in regard to it. I would like to ask the gentleman this further question in regard to it: Some say there will be power to dispose of after the construction of the Cove Creek Dam and some say there will not be; and I would like to have the gentleman's opinion as to whether or not he thinks the 40,000 tons he speaks of would be a fair amount of nitrates for the plants there to produce, or is the capacity of the plants there such as to easily produce enough more nitrates so as to take all the power, even after the Cove Creek Dam was built?

Mr. WURZBACH. I will say to the gentleman from Michigan that if the quantity of fertilizer manufactured under the conditions existing, or that may be reasonably assumed will exist, and under the terms prescribed in the

proposed legislation, would be profitable to the extent of the using of 45,000 kilowatts, then it might be assumed that the further use of the additional power might also be applied in that way; and, conversely, if 40,000 tons of nitrogen-content fertilizer can not be manufactured profitably and economically, the chances are that not any of the power will be used for fertilizer manufacture; and in that case, of course, the fertilizer end of it will fade out of the picture, and Muscle Shoals will then be wholly and solely a power sale and distribution proposition.

Mr. MAPES. May I ask the gentleman if, in his judgment, the nitrate plants which are there now are large enough with present equipment to use all the power, with the construction of the Cove Creek Dam provided the production of fertilizer under his amendment proves profitable?

Mr. WURZBACH. The gentleman understands there is no fertilizer factory there now?

Mr. MAPES. Yes; but there are nitrate plants there.

Mr. WURZBACH. Yes. I think they would be able to consume practically all of the hydroelectric power that could be produced. I am not speaking now of the steam power. This is my opinion.

Mr. MAPES. Even with the construction of the Cove Creek Dam?

Mr. WURZBACH. I had reference, then, to the power developed at Muscle Shoals in its present condition and without being supplemented by the increased power that would result from the building of Cove Creek Dam. Of course, the building of Cove Creek Dam really translates the present secondary power at Muscle Shoals into primary power.

Mr. MAPES. I have heard the statement made that if as much nitrates should be produced there, as Ford agreed to produce, that all the power, even with the construction of Cove Creek Dam, would be used in the running of the nitrates plants, is that true?

Mr. WURZBACH. I do not really know.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. SUMMERS of Washington. Mr. Chairman, I yield five additional minutes to the gentleman from Texas.

The CHAIRMAN. Without objection, the gentleman from Texas is recognized for five additional minutes.

Mr. ABERNETHY. Will the gentleman yield to me for some information?

Mr. WURZBACH. Yes; I will be pleased to yield to the gentleman.

Mr. ABERNETHY. I understand from what the gentleman is saying now that there is not an agreement between the House and the Senate conferees.

Mr. WURZBACH. Oh, no.

Mr. ABERNETHY. They are in disagreement?

Mr. WURZBACH. We are still in conference and we are to have another meeting Tuesday, at which time I hope——

Mr. ABERNETHY. I understood it was given out to the country some time ago that you gentlemen were in agreement. Your pictures were printed in the papers and the statement was made that you had come to an agreement. I remember very distinctly seeing the gentleman's very handsome face together with that of Senator NORRIS in all the local papers in our country and our people were very much pleased that this controverted matter had come to a settlement. I now understand you are just as far apart as you were before.

Mr. WURZBACH. What the gentleman read in the newspapers was simply a mistake, that is all.

Mr. ABERNETHY. Does the gentleman think we are likely to have an agreement reached this session?

Mr. WURZBACH. I only hope that we will, and we will, I am sure, if the Senate conferees will only agree to this amendment which I have tried to explain here.

Mr. ABERNETHY. Of course, I can see the difficulties in the way. I thank the gentleman for the information.

Mr. MILLER. Will the gentleman yield to me?

Mr. WURZBACH. I yield to the gentleman from Washington.

Mr. MILLER. The original Muscle Shoals project embodies three dams—No. 1, No. 2, and No. 3. No. 3 Dam is what you term the Cove Creek Dam?

Mr. WURZBACH. Yes.

Mr. McREYNOLDS. If the gentleman will permit. I do not think he understood the question. No. 3 Dam is not the Cove Creek Dam.

Mr. WURZBACH. No; I did not answer that question correctly. No. 3 Dam is a dam that they were contemplating or were discussing building some little way from Dam No. 2, and it was not considered a power dam at all, or of very slight importance so far as power production is concerned, but more to advance navigation, and that is not included in this proposed legislation at all.

Mr. MILLER. I do not understand what dam the gentleman is referring to—No. 2?

Mr. WURZBACH. No; No. 2 is the Muscle Shoals Dam, also known as Wilson Dam. No. 3 Dam is not in contemplation in this legislation at all, and the Cove Creek Dam is the one that is to be built several hundred miles above Muscle Shoals.

Mr. MILLER. No power is to be generated at that dam—it is a reservoir dam?

Mr. WURZBACH. It is a reservoir dam. There will be some little incidental production of power, but its main purpose is as a retention dam to feed water into the river during the dry season.

Mr. MILLER. And thereby stabilize the output at Dam No. 2?

Mr. WURZBACH. That is correct.

Mr. MILLER. Let me ask the gentleman why the steam plant can not be used to stabilize the amount of electrical output at Dam No. 2 just as well as a reservoir dam farther up the stream?

Mr. WURZBACH. Well, it could; but for the same reason that they do not consider it advisable to generate all the power they are seeking to generate in that neighborhood with steam plants, because the hydroelectric power is so much cheaper.

Mr. MILLER. Of course, and it would only be used during the low-water season, or during a very small portion of the year.

Mr. McREYNOLDS. Will the gentleman yield to me?

Mr. WURZBACH. Yes.

Mr. McREYNOLDS. I would like to reply to the statement of the gentleman from Washington [Mr. MILLER] that it is only to be used a part of the year to generate electricity. As the gentleman knows, that dam is to be built for navigation and flood-control purposes.

Mr. WURZBACH. That is true.

Mr. MILLER. There is nothing in the original or foundation legislation about navigation on the Tennessee River, and that is where the gentleman is confusing the proposition.

Mr. McREYNOLDS. That is where the gentleman is confused about Dam No. 3, which is 15 miles above the present dam.

Mr. MILLER. I spent two weeks at the Muscle Shoals Dam, investigating the whole question, when I was on the Committee on Military Affairs.

Mr. McREYNOLDS. Did the gentleman see Dam No. 3 up in East Tennessee, as the gentleman stated here?

Mr. MILLER. There is no Dam No. 3. The gentleman never saw one and I never saw one and nobody else ever saw one.

Mr. McREYNOLDS. But the gentleman referred here to Dam No. 3.

Mr. ARENTZ. Will the gentleman from Texas yield?

Mr. WURZBACH. I yield.

Mr. ARENTZ. In any discussion of Muscle Shoals one often hears statements with respect to the present condition of the nitrate plants. Some say they are antiquated and some say they may be used at once with a little repair and others say they are in fit condition to start in at once. What is the gentleman's opinion regarding that matter?

Mr. WURZBACH. I understand that they are in first-class condition.

Mr. ARENTZ. And it is capable of producing nitrogen as cheap as the latest method.

Mr. WURZBACH. I will not say that it can be produced as cheaply, but it certainly would not be advisable to scrap it or not use it.

Mr. DENISON. Will the gentleman yield?

Mr. WURZBACH. I yield.

Mr. DENISON. Does the legislation contemplate that if it is not possible to make a lease that the Government then will manufacture fertilizer there?

Mr. WURZBACH. There is a provision in the Senate joint resolution which is under consideration now which has an alternative provision that permits the Government to go into a rather limited production of nitrates for small quantity and experimental purposes but does not provide for actual fertilizer manufacture—and that only in the event no lease can be made under the lease provisions of the proposed legislation.

Mr. DENISON. So the statement is substantially true that unless the legislation provides for a lease there will be no manufacture of fertilizer?

Mr. WURZBACH. I think that is a fair and correct statement.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. SUMMERS of Washington. Mr. Chairman, I yield 10 minutes to the gentleman from Minnesota [Mr. PITTENGER].

Mr. PITTENGER. Mr. Chairman and gentlemen of the committee, I thank the gentleman from Washington for yielding me this time, although later on I expect to go more into the details on the subject of the Minnesota fire sufferers bill.

When I entered the Chamber a moment ago my distinguished colleague from Texas [Mr. Box] was delivering a speech on the subject of claims, and bills relating to claims against the United States, proposed legislation relating to claims, and so forth. In the course of that speech he referred to the Minnesota fire claims. I realize that there are thousands of claims of citizens of the United States presented to Congress. Some of those claims have merit and some of them are not well founded. I have listened to the remarks of the gentleman from Texas, and I am sure that he does not want anyone to leave this Chamber with the impression that a just obligation of this Government should not be examined by Congress; and when the facts show that an injustice has been done to a citizen of this country, I am sure that the gentleman from Texas will admit that Congress ought to right the wrong that has been done.

So far as I am concerned, I believe the Government of the United States is big enough to pay its honest debts. I know of no reason why this Government of ours should stand on any technicality where its citizens have just claims for consideration. I can not follow the argument, that, because some one is apt to abuse the machinery, there should be no use made of it at all. The claim of the Minnesota fire sufferers does not rest in charity. It is based upon the proposition that there is a balance due these people which the United States Railroad Administration, without cause or reason, arbitrarily refused to pay them.

The distinguished gentleman from Texas has had a long and honorable membership in this House. He is a man of exceptional ability and recognized as one of the leaders of his party. I felt as I listened to him that some Members might carry away a wrong impression from the remarks that he made, because I believe that some of his statements were misleading and gave the wrong impression.

You know that when a man of distinguished ability, such as the gentleman from Texas, who has the confidence of the membership of the House and who enjoys as he does the respect of all of us, when he gets wrong impressions in his mind he might lead other Members of the House astray. So I want to ask Members of the House to hold an open mind in connection with these so-called Minnesota fire claims.

After you have become acquainted with the facts you may draw you conclusions differently from those drawn by my distinguished colleague from Texas, and it may help me undo some of the mischief which he has unconsciously accomplished to-day.

The so-called Minnesota fire claims are found in H. R. 5660, a bill introduced in December, 1929, and which has met with many delays for one reason or another.

There are some things I would like to say in the abstract—that it is unfortunate that the executive and the legislative departments of the Government are not kept distinct. But that is something I will talk about later.

That bill is pending before the Committee on Claims. I want to tell you one or two things about it. Every member of the House of Representatives in the State of Minnesota has investigated this bill. It has been called to the attention of every Member and they have gone into it and found that it is meritorious. Every Member appeared before the Committee on Claims and supported the measure. It is a bill of state-wide importance.

The Legislature of the State of Minnesota is now in session. There is before this body a concurrent resolution, adopted a few days ago without a dissenting vote in either the Senate or the House in the State of Minnesota, setting forth their views in reference to that measure and calling on Congress to appropriate money to pay the balance of lawful obligations of this Government to the citizens of the State of Minnesota. That concurrent resolution reads as follows:

S. F. No. 3

A concurrent resolution memorializing the President of the United States and the Congress of the United States to take such steps as are necessary to secure passage of the Shipstead-Pittenger fire sufferers' bill, the same being known as H. R. 5660, to the end that the Government of the United States may discharge its just and lawful obligations to the citizens of Minnesota

Whereas H. R. 5660 was introduced in the House of Representatives in the Congress of the United States on December 2, 1929 (companion bill, S. 3329, being introduced in the Senate of the United States on January 6, 1930); and

Whereas said bill, H. R. 5660, was referred to the Committee on Claims in the House of Representatives and hearings were duly had thereon before a subcommittee on March 26, 27, 28, and 29, 1930, and which subcommittee has made a report to the full Committee on Claims confirming and finding from the testimony the facts hereinafter set forth in this resolution, said matter being now pending before said Committee on Claims for disposition; and

Whereas each Member of Congress from the State of Minnesota has indorsed and approved said legislation and has appeared before the Committee on Claims in support thereof; and

Whereas, on October 12, 1918, the railroads in the United States were being operated by the United States Government as a war-time measure, under laws which held the United States Railroad Administration responsible for negligent operation of said railroads; and

Whereas on October 12, 1918, a devastating fire burned over hundreds of miles of territory in northern Minnesota, burning cities, villages, and towns, taking human life, and doing damage and destruction to an immense amount of property; and

Whereas litigation ensued, in which the citizens of Minnesota, suffering damage as a result of said fire, brought action against the Director General of Railroads of the United States, claiming that the Director General of Railroads was responsible for the damage resulting from said fire; and

Whereas in various actions tried in the courts the Director General of Railroads was held responsible for said damage, which decisions were affirmed by the Supreme Court of the State of Minnesota; and

Whereas prior to said litigation the Director General of Railroads had denied all liability for said damage and had taken the position that the Government was either responsible for all of the damage or for none of it; and

Whereas following the determination of said lawsuits, the Director General of Railroads then proposed "compromises" and made offers of settlement to the citizens of Minnesota and advised them that they would have to settle within certain "settlement areas" for a percentage of the loss as the same should be fixed and determined by the United States Railroad Administration; and

Whereas various citizens of the State of Minnesota were compelled by the circumstances to accept the offers of the Director General of Railroads and to execute releases and to satisfy judgments in their favor for partial amounts of their losses, being unable to litigate their claims on account of the great expense

involved and on account of congestion in courts and on account of long delay, and other reasons; and

Whereas said citizens of the State of Minnesota, under the terms of the above legislation, H. R. 5660 and S. 1329, will be entitled to receive the balance of the loss admitted by the United States Railroad Administration and are justly and fairly entitled to said payment; and

Whereas there has been long and vexatious delays in connection with said pending legislation and the Director of the Budget has made no recommendations thereon, and the United States Railroad Administration has seen fit to oppose the passage of said legislation; and

Whereas both agencies are directly responsive to the executive branch of the Government and their officials are appointed thereby; and

Whereas it is a well-understood fact that national legislation is shaped and the policy of the party leaders in the House and Senate is determined by the executive branch of the Government: Now, therefore, be it

Resolved by the Senate of the State of Minnesota (the House concurring), That the State of Minnesota does indorse and urge the passage of the legislation above referred to to the end that the Government of the United States may discharge its just and lawful obligations to the citizens of the State of Minnesota; be it further

Resolved, That the secretary of state of the State of Minnesota be instructed to send a copy of this resolution to the President of the United States; to Walter Newton, secretary to the President and liaison officer, whose duties have to do with pending legislation in Congress and with contact of the Members of Congress in reference thereto; to each Member of the House of Representatives in Congress at Washington, D. C., from the State of Minnesota; and to each United States Senator from the State of Minnesota at Washington, D. C.

HENRY ARENS,
President of the Senate.
OSCAR A. SWENSON,
Speaker of the House of Representatives.

Passed the senate the 14th day of January, 1931.

C. H. SPEETH,
Secretary of the Senate.

Passed the house of representatives the 15th day of January, 1931.

JOHN I. LEVIN,
Chief Clerk of the House of Representatives.

Approved, January 20, 1931.

FLOYD B. OLSON, *Governor.*

Filed January 21, 1931.

MIKE HOLM, *Secretary of State.*

I, Mike Holm, secretary of state of the State of Minnesota, do hereby certify that I have compared the annexed copy with record of the original resolution in my office of S. F. No. 3, laws 1931, and that said copy is a true and correct transcript of said resolution and of the whole thereof.

In testimony whereof I have hereunto set my hand and affixed the great seal of the State, at the capitol, in St. Paul, this 21st day of January, A. D. 1931.

[SEAL.] MIKE HOLM, *Secretary of State.*

Time is not going to permit me to go into this matter in detail, but the gentleman from Texas [Mr. BOX] mentioned a great many matters that will require much discussion, and I want to discuss them with you some time. He talks about other fires. Of course, unless the facts in the background are made plain to you, some things would not be understood. He does not need to talk about other fires. Why, he is talking about a matter where the Government, through the best lawyers it could get, spent a million and a half dollars trying to establish other fires and failed, and the only way that a statement like that can be justified on the floor of this House, I submit in all fairness, is to attack the integrity of the judiciary in the State of Minnesota, and surely my friend from Texas would not want to do that, if he knew the facts and appreciated their full significance.

But why this talk about other fires? This was elaborated upon at great length by the Hon. James C. Davis before the Subcommittee on Claims last March. That was not the first time that he used the alibi box. Right after these fires started on October 12, 1918, the Director General of Railroads claimed that railroad fires did not do the damage and did not cause the loss. At that time the fire sufferers organized an association and employed counsel and started action against the Director General of Railroads. The matter was then put into the courts to determine who started the fires and what fires did the damage.

One of the questions settled by the courts was this "alibi" of the Director General of Railroads, who strongly urged that, in spite of numerous railroad fires, some other fire, or some act of God, was responsible for the damage to these claimants. The courts settled that matter. The resourceful and energetic Director General of Railroads was not satisfied with the courts. In spite of the fact that he spent hundreds of thousands of dollars trying to win a decision in the courts and trying to show that "other fires" should be held responsible, the testimony before the Subcommittee on Claims showed conclusively that the railroad fires were responsible; and while there were other fires, the testimony did not show that they were the main cause of the damage.

This claim about other fires is just an "alibi" which has no place in the consideration of H. R. 5660. The "big fire" set by the Railroad Administration swallowed up the little ones and proceeded on its course of destruction.

James C. Davis, when testifying before the Committee on Claims, stated that the Government could only pay where legal liability was established, and in no case was any sum paid out by the Treasury where the Railroad Administration did not concede that the Government fires destroyed the property.

I submit, therefore, in all fairness, that my distinguished colleague from Texas has been misled as to the facts of these cases, and it is not fair to leave this House under the impression that other fires of responsible origin caused the loss.

It must not be overlooked that some 7,000 cases against the Railroad Administration were dismissed in other territory where other fires did cause the loss and where it was clear that railroad responsibility did not exist. This takes care of the statement of Mr. Davis and Mr. Box that there were other fires in that territory.

Then he asked to have inserted in the RECORD a section from the transportation act of 1920. I do not know why he wants to put that in. It has no application to the pending bill. There is a revolving fund created by the act of 1920. The fire sufferers of Minnesota started lawsuits against the Government, and they did everything that the law of the United States required them to do to protect their rights and to assert whatever claims they had, and my good brother from Texas has simply misread the law. These claims were pending when the railroads were turned back to private owners. That section of the transportation act, for example, has to do with a person who had a claim against a private carrier before it was taken over by the United States Government.

It authorized such a person to bring suit against the Director General of the Railroads and then provided that when the Government turned the roads back to the private owners they could adjust those differences, and if the private owners were really responsible the Government would charge it up to them. The cases that are involved in the bill that I have introduced have nothing to do with any such facts or circumstances. In every one of those cases there was a Government liability, not a liability upon the part of a private individual or a private owner of a railroad in any way, shape, or form. The fire sufferers could not hold the private owners of the railroads responsible for the fires. The Government set the fires.

Mr. COLE. Mr. Chairman, will the gentleman yield?

Mr. PITTENGER. Yes; I will be glad to do so.

Mr. COLE. After the decisions in the Minnesota cases the gentleman should bring out the fact that the Railroad Administration then settled with all the claimants. It was an agreed settlement, and I am told that the settlement was very generous——

Mr. PITTENGER. Oh, now, do not make a speech. Just ask a question.

Mr. COLE. Because the Government wanted to get rid of those cases rather than to test all of them separately in the courts.

Mr. PITTENGER. Are you through, and is that the gentleman's question?

Mr. COLE. Yes. Is it not true that the settlements were made by those claimants with the Government?

Mr. PITTENGER. I am glad the gentleman has asked that question. He comes from the congressional district where James C. Davis, former Director General of Railroads, now resides, and I say to my friend that he can carry this

message back to James C. Davis. After James C. Davis made a fair and square agreement that if he was licked in the courts he would pay everything the Government owed, when he was licked in the courts he broke faith with the fire sufferers of Minnesota, and it is to the eternal disgrace of this Government that its just obligations in those cases remain unpaid to this day. The gentleman can take that back with him to the greatest bureaucrat that ever occupied a position at the head of a Government bureau here in Washington.

Mr. COLE. The only correction I want to make here and now in that statement is that James C. Davis does not now and never has resided in the congressional district that I represent.

Mr. PITTENGER. Then I beg the gentleman's pardon; but James C. Davis brought the distinguished gentleman from Iowa [Mr. COLE] before the Claims Committee last March and introduced him to the subcommittee by saying, "I want you folks to know that I have also got a Congressman." If we were misled, then Davis is to blame for it.

Time will not permit me to discuss at length this question of the so-called settlements to which my colleague from Iowa [Mr. COLE] has referred. I simply want to say that after the Government lost in "test" cases involving different "areas," it then commenced to talk about compromise and settlement. Before the Government lost in this litigation Mr. Davis had indicated that if the litigation was unfavorable to the Government the losses would be paid in full.

The hearings before the subcommittee cover this subject completely. The records still show that three judgments which were entered against the Railroad Administration were never paid, but the parties holding those judgments were compelled to accept a 50 per cent settlement. The testimony before the subcommittee also shows that there was a written stipulation in the so-called Cloquet case, wherein the Railroad Administration stipulated and required that the result in one case should be a determination in 277 other cases. The record shows that to this day the Railroad Administration broke its word and refused to carry out its own stipulation.

In all of these cases where the Government paid money the loss was determined by the Director General of Railroads or by the courts. The fire sufferers received only a percentage—40 per cent in some cases and 50 per cent in other cases—of a loss, the amount of which was fixed by the Government or by a court determination with which the Government was satisfied.

I can not here discuss the misery and the suffering of these people following the fire, their poverty, and their struggle against adversity. They were in such circumstances that they had no choice but to accept what the Government was willing to pay them. The law made no provision for enforcing a judgment against the United States.

This, in brief, answers the question of the gentleman from Iowa.

The CHAIRMAN. The time of the gentleman from Minnesota has expired.

Mr. WOODRUM. Mr. Chairman, I yield 30 minutes to the gentleman from Mississippi [Mr. RANKIN].

Mr. RANKIN. Mr. Chairman, I rise to appeal to the House at this time for the payment of the adjusted-service certificates now held by the veterans of the World War.

If the average veteran ever needed what his Government owes him, he needs it now. If the country ever needed this money in circulation, it needs it now.

We remunerated everyone else connected with the World War. We first took care of the war profiteers. We took care of the railroads. We paid a bonus to those profiteers who coined their money out of the blood and tears of the suffering men, women, and children of the World War, during the greatest catastrophe that civilization has yet known. We put the railroads in better shape than they had ever been before; we turned them back and paid them a bonus for their use. We have given foreign countries—by the foreign-debt settlements passed by this House in the last few years—approximately $8,000,000,000, enough to pay these adjusted-service certificates many times over.

In the last few years the Treasury Department has turned back to the large income taxpayers—largely those interests that made millions out of the war—between $3,000,000,000 and $4,000,000,000. That money, in my opinion, was justly collected and should not have been refunded. I am in favor—and I voice the sentiment of millions of people in this country—of bringing suits at the earliest opportunity to recover those large amounts that have been surreptitiously passed back to these interests through the Treasury Department.

I remember that during the World War, when the contract between Mr. Ford and Senator COUZENS was closed, the Government was consulted, and a contract was entered into to which the Government agreed. Yet in order to punish Senator COUZENS for some of his activities the very Secretary of the Treasury who is now turning back these millions and hundreds of millions of dollars to these favored interests brought a suit against Senator COUZENS for back taxes which he did not owe, and which the Supreme Court said he did not owe.

I am in favor of bringing suit, in whatever court is necessary or appropriate, to recover this $3,000,000,000 or $4,000,000,000 which has been turned back to these interests and turn the amounts recovered back into the Federal Treasury in order that we may use this money to pay these adjusted-service certificates, and for other purposes.

We are in the midst of a great depression. We have had crop failures in certain sections of the United States. We are witnessing a depression the like of which our people have never seen. We are witnessing to-day an unemployment condition in this country the like of which this country has never witnessed before in all its history. There is a bread line in every city in the United States of any size. In those bread lines stand ex-service men of the World War, who fought the Nation's battles in times of war and have supported its institutions in times of peace, and who are now appealing to you to pay them what the Government owes them in order that they may buy bread for themselves and their loved ones.

There is more suffering in this country now than there has ever been at one time in all its history except in times of war. The conduct of the administration under present conditions forcefully reminds us of poor old Nero, who fiddled while Rome burned. We are surrounded by the most serious condition this Nation has ever known in times of peace, a condition for which this administration is largely responsible and which it is doing practically nothing to relieve.

Mr. Chairman, let us see what are the causes of this depression. Do not misunderstand yourselves. The greatest factor in this depression is this Government. Your conduct here in this House and at the other end of the Capitol and at the other end of the Avenue is more responsible for this condition than everything else put together. I know they try to lay it on the drought, but the people in the drought-stricken areas were hurt more by low prices than they were by the drought. Besides there was no drought in those States where the large congested centers now are witnessing hunger parades. It took 100 policemen to break up a hunger parade in Pittsburgh the other day. They had to use tear gas to break up one in St. Louis, as if those people were not shedding tears enough.

Why, the other night they had a party here in town, a debutante's party down at the Mayflower Hotel, which cost between $50,000 and $250,000. It has been estimated all the way between these two figures. In the same block there was a bread line of hungry men and women. This bread line and this party were made possible by the same governmental policies of this administration. They are the natural consequences of the legislation that has been enacted here for the last eight years.

In 1921, when the present administration came into power, it immediately placed upon the statute books of this country the highest protective tariff law ever known in all the history of this world up to that time—a tariff that levied a tax on everything the masses of the American people buy, from the swaddling clothes of infancy to the lining of the coffin in which old age is laid away.

By this process you forced our people from the wheat-growing sections who sell their wheat in an open market, our corn growers who sell their corn in an open market, our cotton growers who sell their cotton in an open market, to buy their goods from behind this tariff wall at enormously and artificially inflated prices, until it gradually bled agriculture white. Long before this nation-wide depression came the people throughout the agricultural States were suffering to a degree they had not known for many, many years. This policy artificially stimulated industrial development and brought about an abnormal inflation of industrial values and an abnormal expansion of industrial stocks.

You had a candidate for President in the Department of Commerce at that time, whose candidacy cost this country millions and millions and millions of dollars in propaganda.

In 1927, when they began to spread their wings for a more daring flight, his machine started pumping through the newspapers, through the magazines, through the radio, through the bulletins, and by word of mouth throughout this country, propaganda about the foreign markets that had been discovered. Why, foreign markets had been discovered for everything America would ever manufacture; unlimited golden fields of foreign markets the like of which the world had never dreamed. What was the result? The courts had let the corporations out from under the payment of income tax on stock dividends. These corporations had issued hundreds of millions—yes, billions—of dollars in stock dividends. Not only that, but they found they could pay a stock dividend whether they had earned one or not. Then began the greatest stock-inflation orgy ever known.

So in 1926 and 1927, when this propaganda began to take hold in the public mind, practically every person in your district and in mine who had a few hundred dollars, or even $100 dollars, that they did not need, purchased stock in something, believing that we were just on the edge of an era of unprecedented prosperity. Therefore these corporations began to unload the surplus stocks on the unsuspecting masses of the American people. Lawyers, doctors, merchants, bankers, farmers, everybody who had a little money, were induced to buy these stocks. So these surplus stocks that had been issued largely as stock dividends were sold and the country was stripped of what surplus money there was left. I am getting up to this depression now. To show you that I am correct about this, let us see about the income taxes that were paid for those years.

In 1914 there were 60 people in the United States each with an income of $1,000,000 a year or more. In 1927 the number had grown to 290. In 1928, after one year of this propaganda that helped them to reach out and strip the surplus money from the people, the number had increased from 290 to 511. There never has been such a concentration of the wealth of a nation in all the tides of time as happened under this inspired propaganda that was put out during the years of 1926, 1927, and 1928.

They said they were going to unload their surplus manufactured articles in foreign countries. We could not buy any more. We had nothing left in the wheat-growing sections, the cotton-growing sections, or the corn-growing belt to buy with. They were going to unload their goods in foreign countries, according to this propaganda.

Immediately foreign countries began to erect retaliatory tariff walls. Immediately they began to figure on a United States of Europe, and the British Association of Nations, formerly the old British Empire, began to figure on placing tariff walls against us in retaliation for our tariffs against them. As a result there was a crash. As soon as the election was over the people began to ask, "When do these foreign markets develop?" and when they found out that it was campaign "bunk" they rushed into the New York Exchange and tried to unload. The market broke and fifty or sixty billions of dollars were swept away on the first break. A short time later fifty billions more, and up to the present time $160,000,000,000 have been swept away.

In addition to that, there has been a contraction of the currency. There is not sufficient money in circulation in America to-day to carry on properly the business of this country. You may say what you please, but when you contract the currency of a country to that extent you produce disaster.

Let us see: In 1914 there was $34.92 per capita in circulation. In 1920 it had risen to $53.01. Our wage scale was fixed on that basis, our debts were contracted then, our standard of living was fixed at that time, our taxes were assessed on that basis. But for the last few years the currency has been contracted $17 per capita. A year ago to-day it was $40, or $4 per capita more than it is to-day. We are almost back to the same circulating medium we had in 1914, and that with all our high prices, high taxes, high wages, and high standards of living.

No wonder there is stagnation in this country.

Not until that condition is relieved can there be any hope of a rise in farm prices. There can be no hope for advance in agricultural values. There can be no hope for labor becoming employed at reasonable wages. There can be no hope for the wheels of industry to start turning. Until that is done we will remain in a state of economic stagnation.

Now, we can relieve the situation by paying off the adjusted-service certificates. I have no right to criticize unless I am able to offer some practical plan of relief. We can cure that condition now. If we pay these adjusted-compensation certificates off, it will put anywhere from $1,000,000,000 to $3,000,000,000 into circulation.

It will furnish our people money with which to finance themselves, to make another crop. It will start business on the rise; it will start the wheels of industry turning, and it will bring to us a new era of sound prosperity that will not be artificially boosted by any misleading political propaganda. [Applause.]

Mr. WOODRUM. Mr. Chairman, I yield five minutes to the gentleman from Alabama [Mr. PATTERSON].

Mr. PATTERSON. Mr. Chairman and members of the committee, I want to speak for just a few minutes on a matter that is of vital interest, I think, to this House, and to all of our people. We have heard a great deal about the depression and unemployment and the drought conditions. All those things are obvious, and the combination of these conditions in some sections of the country has produced serious results. I want to speak particularly of my own State in reference to this matter. I do not want to put it too strongly, but I believe, with the combination of the drought and the economic situation which we face, our commercial and credit system has very nearly broken down. In the district which I represent about four weeks ago we had around two dozen banks doing business, and to-day we have only 15 to 17. Seven banks have closed in the last six weeks.

I receive letter after letter bringing to my attention the great number of people who are walking the roads and literally starving. I brought to the attention of the House the other day an article in the Montgomery Advertiser, a paper published in the capital of my State, where a leading and benevolent man from my district had written, making an appeal for help for the starving.

My fellow colleagues, this is very important, and to anything like relieve the suffering it will take not only the $10,000,000 proposed to be raised by the Red Cross and the $25,000,000 provided in the Senate amendment but much more. Members of this House, this condition is serious, and I hope that the hearts of this House and the administration will open on this question. I appeal to you in the very strongest feeling possible to bring this amendment here and let us vote upon it.

I feel it is very important that we extend every avenue of relief possible.

I heard the appeals the other evening with reference to $10,000,000 for the Red Cross. Those were splendid and

magnificent appeals, and I think all of them were founded on the real needs, but I am interested to know why these appeals were not made earlier. We were told up until Christmas and even up until Judge Payne appeared before the Senate committee that the Red Cross had plenty of money and was handling the situation and was going to handle it, but immediately after the Senate committee called this gentleman over there and found out something about their activities and plans we had a call for $10,000,000. I think that is a worthy call, and I hope every dollar of it is raised, as it wlil be needed and more.

The appropriations for unemployment are greatly needed, and I should like to see them extended, but it seems to me that it was obvious to most people who can observe that before this Congress adjourned last July that these conditions were facing us. Why there was no great emphasis laid upon it by the administration up until this time it is hard for me to understand.

Mr. SLOAN. Will the gentleman yield?

Mr. PATTERSON. I yield.

Mr. SLOAN. I do not desire to be critical, but these conditions are more marked in some States than in others. I would like to ask what any of the States have done as States prior to this time to meet this difficulty for their own people by the voting of bonds or by the raising of money to meet immediate conditions.

Mr. PATTERSON. Of course the gentleman knows I could not speak for any State except my own.

Mr. SLOAN. What has the gentleman's State done?

Mr. PATTERSON. As far as raising bonds is concerned, my State has not done that because our legislature was not in session.

Mr. SLOAN. You have a provision in your constitution for the calling of an extra session of the legislature?

Mr. PATTERSON. Oh, yes; we have a provision for that, but that would be a matter left with the governor of the State, and he might have sufficient reasons why he did not want to call an extra session of the legislature.

Mr. SLOAN. I would not think the Governor of the great sovereign State of Alabama would neglect his duty to a suffering people.

Mr. PATTERSON. Oh, no; but I will say to the gentleman that every city, every municipality, and every village in my State, as far as I know, and I am sure every one in my district, has raised money and made every effort extending over weeks and months to try to prepare to meet the emergency which we now have in our section, and the State government has cooperated in all this work to the limit of its ability under the circumstances.

Mr. SLOAN. But the gentleman was criticizing the Government in Washington while the poor are suffering and his State has done nothing tangible up to this time, as a State, to relieve the situation.

Mr. PATTERSON. I do not criticize the Government but the administration of this matter. If an administration takes the position that all the prosperity in the country is due to their party and their administration, then when we have a great crisis like we have now should they not come forward and shoulder some of the responsibility?

Mr. SLOAN. The gentleman is assuming facts to be historical that do not exist.

Mr. PATTERSON. I beg to dissent, and can point to the gentleman where speakers of his party in 1928 made very near that claim.

The CHAIRMAN. The time of the gentleman from Alabama [Mr. PATTERSON] has expired.

Mr. SUMMERS of Washington. Mr. Chairman, I yield seven minutes to the gentleman from Pennsylvania [Mr. WATSON].

Mr. WATSON. The United States of Europe has made some progress toward permanency. There was a meeting this month in which M. Briand's idea was reported. The subject was again referred to the League of Nations which will meet some time in the spring. I simply want to call your attention to what might be the result if the United States of Europe should become a fact.

The confederation of 27 states of Europe to strengthen their economic policies is the purpose of M. Briand, who developed his plan to the League of Nations at Geneva September 5, 1929. His idea was unanimously accepted for consideration. A memorandum for the organization of the United States of Europe was transmitted to each government for observation and report. A committee of the league met on January 16 of this year to receive the reports for further deliberation. A common tribunal of the nations of Europe is not the affair of America, but one of deep concern. M. Briand presents a policy, if workable, would inure to the commercial advantage of Europe as its economic relations will have to be revolutionized. The war weakened industrial policies, therefore a new method is sought to enlarge the development of trade. Importations far exceeded exportations; 84,000,000 perished in the world's conflict; Europe is becoming depopulated, more deaths than births; children are now regarded "as a burden and not an asset," and the need of domestic raw material in all branches of manufacture tend to paralize her economic policies.

Most of the United States of Europe involves political cooperation upon the following questions, as presented by M. Briand:

First. To institute a general political economy, control the policies of the members, industrial cartels, and lowering the tariffs.

Second. To regulate travel and automobile traffic.

Third. To regulate water and air transits, telephones, telegraphs, and radio.

Fourth. Monetary policies and finances.

Fifth. Solutions concerning questions of travel, emigration, and laws regulating the working people.

Sixth. Hygiene.

Seventh. Cooperation between the universities and academies.

Eighth. Interparliamentary union for discourses on national policies.

Ninth. Administration concerning certain international questions. Each Government to maintain its sovereignty, but under a constitution to regulate and increase the powers of the confederation, thereby the universality of the European States would have no limitation.

The temper of man remains the same to-day, yesterday, and centuries past. He loves power, expressed individually, or, as part of the Government to which he belongs.

Great Britain is not in accord with M. Briand's policy, as the Daily Press protested—

> Strongly against any idea of European confederation on the ground that the British Empire ought to form a complete unit stronger than America and stronger than Europe.

In the event of the success of the plan outlined by M. Briand becomes a reality, the question of the tariff and American labor will be involved and be a signal for industrial revolution. Common liberty is the foundation for federal and individual wealth.

Russia, with her extensive forests and a supply of gold, platinum, coal, iron, and industrial minerals, combined with a vast agricultural area, can furnish all Europe with food and raw materials for centuries, is an important factor toward the economic reconstruction of Europe.

I read only the other day that M. Briand is endeavoring to bring Russia and Iceland into the confederation. The Soviet Government of Russia is only in its infancy. Its present policy can not continue. Russia will be compelled by the force of international trade to develop her industries in common with other nations and to rebuild her railroads to meet the requirements for fast and adequate passenger and freight trains. The American capitalization of European industries, the foreign drive to force the United States to reenact a bill to lower her tariff rates, should prompt the alertness of our Government and every American laborer to maintain our international trade under the protective policies that have developed our industries, builded our na-

tional and industrial wealth, to a degree that stands out preeminently in the world's financial history.

Briand's economical policy for Europe embraces a system to equalize tariff rates between members of the confederation. It may go a step farther in an attempt to force open the tariff gates at our ports to the detriment of our labor and industries in general. [Applause.]

Mr. WOODRUM. Mr. Chairman, I yield 10 minutes to the gentleman from Texas [Mr. BLANTON].

Mr. BLANTON. Mr. Chairman, the gentleman from Massachusetts [Mr. UNDERHILL] while chairman of the Committee on Claims has been of great service to the country in saving the Treasury against raids, and also generally in his effort to keep the CONGRESSIONAL RECORD within bounds.

I said to him the other day that the money which we spend on the CONGRESSIONAL RECORD affords the people of the United States the greatest value of any similar sum that comes out of the Treasury. Sixty copies of this RECORD daily go into every one of the 435 districts in the United States. The people back home in your districts and mine read it. The people back home get from it just exactly what the Members here on the floor want to convey to them. The other news that they get comes through the various services of the press. The press boys mention only that which appeals to them, and they leave unmentioned that which they and their services are not interested in or concerned with. So, after all, the people back home are concerned about getting the daily CONGRESSIONAL RECORD, and that is the surest means of the representatives of the people reaching them back at home when they want to reach them.

I want the daily readers, the 60 intelligent, enlightened readers in every congressional district, aggregating 26,100 people, in the United States to read in the RECORD of yesterday, January 23, 1931, what happened on this floor at a time when we Democrats were trying to prevent you Republicans from spending $125,000 for wasteful entertainment abroad.

Mr. COLE. Will the gentleman yield?

Mr. BLANTON. In just a moment I will yield. I knew I would get a rise out of the gentleman. At a time when several million people are starving to death in the great cities and on the farms—men, women, and children—for want of work, for want of opportunity, for want of means of gaining the necessities of life, the Republicans in this Congress, over a splendid fight that was led by our friend from Tennessee [Mr. BYRNS] and by our friend from Alabama [Mr. OLIVER], voted $125,000 to be spent by the embassies abroad for wasteful and extravagant entertainment.

Mr. COLE. Will the gentleman yield?

Mr. BLANTON. Yes. Can the gentleman explain his action on that?

Mr. COLE. Yes, sir.

Mr. BLANTON. If the gentleman can explain his action, and the action of his Republican colleagues, he is going to have a hard time doing it. He may explain it to his colleagues here on the Republican side, but I doubt whether he does explain it to the satisfaction of his Republican constituents back home.

Mr. COLE. One hundred and twenty-five thousand dollars is a very small amount to allow for the purposes of entertainment. The British Embassy in the city of Washington, I am told, has an allowance of $100,000 a year for the entertainment of people.

Mr. BLANTON. I can not yield for a speech. The gentleman will have to get his own time for a speech.

Mr. COLE. I thought the gentleman wanted me to explain.

Mr. BLANTON. If that explains it to his constituents they are easily pleased.

Mr. COLE. The gentleman has not given me a chance to explain.

Mr. BLANTON. I hope your chairman will give you 20 minutes to explain.

Mr. COLE. The gentleman invited me to explain but now he refuses to give me the time.

Mr. BLANTON. I am sorry, but I have just a limited time. On August 12, from my home in Abilene, Tex., I sent your President this telegram:

ABILENE, TEX., *August 12, 1930.*

Hon. HERBERT HOOVER,
President United States,
The White House, Washington, D. C.:

I respectfully suggest that the most feasible and efficacious way to aid helpless farmers in drought areas would be to direct Federal farm loan bureaus and Federal land and intermediate credit banks to extend all payments until November, 1931, and to direct Interstate Commerce Commission to grant special emergency freight rates on all shipments of farm products. If payment of interest and other maturities on farm loans are demanded, wholesale foreclosures will inevitably result, and many farmers will lose homes. Numerous farmers now suffering from three successive crop failures will need financing for food and seed to enable them to plant another crop.

THOMAS L. BLANTON.

Since August nearly five months have passed and not a thing has been done about the food situation. I brought that to the attention of your President last August, showing the urgent necessity for food financing for the people who had suffered three successive crop failures.

I introduced a resolution—and I commend our distinguished colleague from Pennsylvania [Mr. MCFADDEN], because he has given us a careful hearing on it and on other proposals similar to it—to direct the Federal land banks to grant these extensions and to stop these wholesale foreclosures of farms and to provide for the redemption of those farms which have already been foreclosed.

Mr. Chairman, I ask unanimous consent to revise and extend my remarks by incorporating a copy of the resolution which I introduced and which was referred to Mr. MCFADDEN'S committee.

The CHAIRMAN. The gentleman from Texas asks unanimous consent to revise and extend his remarks as indicated. Is there objection?

There was no objection.

The resolution is as follows:

[House Joint Resolution 451. In the House of Representatives, Seventy-first Congress, third session]

Joint resolution authorizing and directing Federal land banks to suspend and withhold foreclosure of any mortgage securing a loan made by such bank in what is known as the drought area of the United States where because of crop failure the borrower is unable to make payment of interest or principal due, and to provide for redemption of any such lands foreclosed since April 1, 1930

Whereas it was the intent and purpose of Congress when passing the Federal farm loan act in July, 1916, to aid and protect farmers in times of distress and not to ruin and rob them of their farms; and

Whereas when creating Federal land banks Congress provided that if the initial $750,000 capital required for every Federal land bank was not subscribed within 30 days the Secretary of the Treasury should subscribe for it on behalf of the United States; that all salaries and expenses of the Federal Farm Loan Board supervising such banks be paid annually by the Government; that such banks be national depositaries; that the capital, reserve, surplus, and income of every Federal land bank be exempt from all taxes, Federal, State, municipal, and local; that the mortgages and bonds of said banks shall be deemed and held to be instrumentalities of the Government of the United States; that the bonds of said banks shall be a lawful investment for all fiduciary and trust funds, and may be accepted as security for all public deposits; and other subsidies were extended to said Federal land banks by the Government to enable them to grant special aid and protection to distressed farmers; and

Whereas certain portions of the agricultural sections of the United States have been inflicted with prolonged and continued droughts, certain localities having suffered three successive crop failures, making it impossible for certain farmers who are borrowers from the Federal land banks to meet the interest and other maturities on their loans; and

Whereas the Federal land banks have harshly adopted the policy of granting no extensions regardless of circumstances, and illustrative of such policy, the Federal Land Bank of Houston, Tex., one of the 12 such banks authorized and created by Congress, in its booklet distributed to its 56,767 farmers who have borrowed $151,600,000, entitled "Why the Federal Land Bank Can Grant no Extensions," has cold-bloodedly announced:

"All borrowers should understand that it is a waste of time to ask for extensions. If one can not pay, then he should sell his farm to one who can and will"; and asserting further in such booklet that the Federal land bank is not a Government institution, and that this bank at Houston has already foreclosed 124

farms, and that its associations have already foreclosed 320 other farms in Texas; and

Whereas said Houston bank in August, 1930, notified Effie May Wilson, of Rotan, Tex., a poor woman with an invalid husband, who had suffered three successive crop failures, that unless her interest payment of $68 was paid immediately with 8 per cent penalty interest, foreclosure of her farm would ensue, thus forcing her to sacrifice her work stock, family milch cows, and laying hens at one-third their value; and said bank notified Mrs. O. A. Roberson, a poor widow of Caps, Tex., that she must pay her $101 interest at once, "even though it becomes necessary that you sell your place to get the money," or her 120-acre farm would be foreclosed, and her work stock and milch cows were already mortgaged to a local bank for supplies, and she was thus threatened with the loss of her farm, worth over twice the amount of the mortgage against it, but which could not be sold because of said general depression; and that when these specific cases were brought to the attention of said bank, President Gossett replied that it was his intention to foreclose against the 11,666 farms in the drought area of Texas if interest payments were not made promptly; and

Whereas Congress alone can stop this wholesale foreclosure of farms, and without appropriate action these distressed farmers and their wives and little hungry children will be turned out into the cold and lose their homes: Therefore be it

Resolved, etc., That until January 1, 1932, all Federal land banks are directed (1) to withhold and suspend suits on the foreclosure of any mortgage securing a loan made by such bank on farm lands situated in the drought area of the United States, or in territory devastated by hail, floods, or tornado, where the borrower is financially unable to make the payments due; and (2) to extend the time for the payment of any such indebtedness to become due during 1931 until January 1, 1932.

SEC. 2. The Secretary of the Treasury is directed to advance to any such bank, out of any money in the Treasury not otherwise appropriated, or that Congress may appropriate, a sum sufficient to cover the amount of the interest payable by such bank during the period mentioned in section 1 hereof on any Federal farm-loan bond issued by it to the extent of maturities thus extended. The sums so advanced shall be used exclusively for the purpose of making such interest payments, and the Federal land bank receiving any such advance shall repay the same to the United States without interest in such manner and under such terms and conditions as the Secretary of the Treasury and the Federal Farm Loan Board, acting jointly, shall prescribe.

SEC. 3. Any Federal land bank which has acquired, during a period of 12 months preceding the date of approval of this act, the land of any borrower from such bank upon foreclosure of a mortgage securing a loan made by the bank to such borrower is directed, if the bank still holds title to such land, to permit such borrower to redeem his interest in the land so acquired by the bank. Such redemption shall be permitted upon the payment by January 1, 1932, of all installments due under the terms of such mortgage to the time of such redemption. In the event of any such redemption the mortgage shall be revived and continued as security for all subsequent installments payable under the terms of the mortgage.

Mr. BLANTON. I want to thank my friend from Pennsylvania [Mr. MCFADDEN] for the very kind and considerate hearings that he and his committee have given this proposal. There are many such bills pending before his committee, and I am sure that his committee is going to work out some proper solution of that question and within a few days is going to submit, under a favorable report, a committee proposal that will meet it and will relieve the situation.

But I was diverted by the gentleman from Iowa, and I want to get back to my argument. I want every reader back home in our districts who has access to the daily CONGRESSIONAL RECORD to read yesterday's RECORD; to read the splendid speech of Mr. BYRNS, of Tennessee, and that of Mr. OLIVER of Alabama against that waste of $125,000 for entertainment abroad in foreign embassies, and I want them to read the vote that was cast here, a record vote, where you signed on the dotted line, and let them see back home who the Members are here who are willing to spend $125,000 for foreign entertainment and let their home people starve in the cities and on the farms of the United States. I want them to read it. I want them to look on page 3000 of yesterday's RECORD, January 23, 1931, and see the names of the men who voted for that $125,000, and I want them to see the names of the men who voted against it. Excepting a few Democrats on our Foreign Affairs Committee, who have been traveling abroad and receiving entertainment at these various foreign embassies—with a few such exceptions you will find the entire Democratic strength of this House voting to save that money and against this foreign entertaining when our home people are starving.

Mr. PITTENGER. Will the gentleman yield?

Mr. BLANTON. Yes; and I want to commend my friend. He is one of the hardest-working men in his office we have here, even if he did vote to take that $125,000 for foreign entertainment out of the Treasury.

Mr. PITTENGER. Is it the gentleman's attitude that we should withdraw from these foreign countries?

Mr. BLANTON. No; certainly not; but we ought to take time first to vote urgent food and necessities to our starving people at home before we vote to furnish this extra expense for wine, women, and song in the embassies abroad.

Mr. PITTENGER. Of course, I do not suppose any of our ambassadors would indulge in any of that luxury.

Mr. BLANTON. I take it they have just as much human nature as my friend has. [Laughter.] But I can not yield further.

Mr. PITTENGER. I would like to ask one more question. Can we not do something for the people who are in distress—and I admit there are people in distress—by voting for the $25,000,000, which is now pending before this body, as a contribution to the Red Cross? Can we not do that?

Mr. BLANTON. Why, certainly we could if allowed to do it. Is the gentleman ready to vote for it?

Mr. PITTENGER. Yes.

Mr. BLANTON. Then, why does not the gentleman get his Republican administration to take that bill away from the Appropriations Committee and bring it here on the floor and pass it? Why not pass it instead of putting it in that committee to kill it, and it went there for that purpose.

Mr. PITTENGER. The gentleman is giving me too big a job.

The CHAIRMAN. The time of the gentleman from Texas has expired.

Mr. WOODRUM. Mr. Chairman, I yield the gentleman 10 additional minutes.

Mr. BLANTON. If I were a member of a party that would disregard the appeals of starving men and women in the cities and in the country of my own homeland and would deliberately send a food relief bill to a committee for the purpose of killing the proposition which would help them, I would smoke them out; I would smoke those leaders out; I would not follow such leaders; I would take a stand myself; and if the stalwart Republicans, like my good friend from Wisconsin [Mr. STAFFORD], and others, would make their leaders understand that they are going to demand a vote on that proposition they would take it out of that committee and out of the pigeonhole and bring it in here and let us vote on it.

When the Senate passed that $25,000,000 appropriation for food for starving people this is what appeared in your press day before yesterday. Here is the Evening Star, a reputable paper, and whose news you can depend upon all the time, except when it is for taking some sum of money out of the Treasury for Washington. Then you can not depend on it, but on other general news you can depend on the Star. It says on the front page, in the most important right-hand column of it:

[The Washington Star, Thursday evening, January 22, 1931]

HEARINGS TO KILL SENATE'S RELIEF PLANS ARE SOUGHT—HOUSE ADMINISTRATION LEADERS WOULD DELAY ACTION ON $25,000,000 FUND

(By the Associated Press)

Seeking a means of killing the Senate's $25,000,000 appropriation for Red Cross drought relief, House administration leaders to-day planned hearings on the proposal before taking action.

They decided to have the Interior Department supply bill, to which the appropriation is attached as an amendment, referred to-day to the Appropriations Committee for investigation.

The above is from page 1 of Thursday's Star.

Now look at the heading on page 2:

Hearings sought to kill Senate's "dole" relief plan.

And look at what is said under this heading:

The leaders feared that if brought to a vote the Senate plan would be adopted by the House, even though President Hoover and the Red Cross oppose it. The simplest way of bringing about a conference was by securing unanimous consent of the membership.

Remember that the above is published in the press before this measure ever reached the House. It says the "leaders,"

which means the Republican steering committee, "feared that if brought to a vote the Senate plan would be adopted by the House, even though President Hoover opposed it." And these Republican leaders, who call this food relief a "dole," deliberately referred it to a committee indefinitely, to kill it.

And yesterday morning, before the bill reached the House, another Washington newspaper said:

[The Washington Post, Friday morning, January 23, 1931]

Earlier in the day Republican House leaders decided to postpone, indefinitely, action on the Senate's $25,000,000 appropriation, unsought by the Red Cross, and obstinately opposed by the administration.

Thus, before the House met, we had the amusing spectacle of the press informing us, 435 representatives of the people, what a few Republican leaders had determined was the best way to kill the $25,000,000 food relief, which they were pigeonholing by sending it to a committee.

It was deliberately sent to the committee to kill it. And when the House met yesterday, our Democratic leader, Mr. GARNER, asked the Speaker what he was going to do with this bill, and this is what the Speaker said:

The SPEAKER. The Chair desires to make a statement at this time and wishes particularly the attention of the gentleman from Texas [Mr. GARNER] in view of the question which the gentleman from Texas propounded to the Chair a few moments ago.

The Interior Department appropriation bill with Senate amendments is on the Speaker's table It is entirely within the discretion of the Chair what course should be taken with regard to the disposition of this bill. Ordinarily a request is made for unanimous consent to send such bills to conference at once. The other course is that the Speaker himself shall refer the bill to the appropriate committee. In view of the tremendous importance of the question arising under the Senate amendment providing for a $25,000,000 appropriation to the Red Cross, in view of the request of the members of the Appropriations Committee that hearings should be had and that the Red Cross may have the opportunity of stating its position, the Chair is going to take the course of referring this bill to the Appropriations Committee, and refers the bill with Senate amendments to the Appropriations Committee and orders it printed.

You will not find another appropriation bill in this or the last Congress that has been sent to the committee in this way. It was sent there deliberately for the purpose of killing it, and you Republicans who represent hungry districts in Chicago, where Americans are walking the streets with their wives and little children starving and freezing, are you going to back up such an administration plan?

Mr. SPROUL of Illinois. Will the gentleman yield?

Mr. BLANTON. Always, to my distinguished friend from Chicago.

Mr. SPROUL of Illinois. I thank the gentleman. Is not this the first time any such action has ever been taken, as was taken in the Senate, to take care of the poor of our country by appropriating $45,000,000? It is, according to my memory, and I am asking the gentleman the question because I want the information.

Mr. BLANTON. No; it is not. But suppose it were the first time. I am around 50 years—I am not going to say how old I am—I have always taken a fairly active part in public affairs, and in my entire experience I have never yet seen conditions that even compare with present conditions in the United States. It is a national emergency, and the men in this Congress who have served many years have never seen conditions as bad or a situation worse. I have been one of those who have fought against taking money from the Treasury except for proper purposes, but this is a time when women and little children are starving and freezing and dying, and I am going to throw precedents to the winds until the people of my country get proper relief.

Mr. SPROUL of Illinois. Will the gentleman yield again?

Mr. BLANTON. Certainly.

Mr. SPROUL of Illinois. Is it not a fact that the Red Cross is taking care of all the cases, or practically all of the cases, the gentleman is speaking about? In my city of Chicago we are raising $5,000,000 to turn over to the Red Cross, in addition to taking care of our own poor in Chicago. [Applause.]

Mr. BLANTON. That may do for Chicago, but there are millions of starving people not so fortunate. There are no Congressmen with wives and children suffering. There are no hungry Congressmen or Senators with hungry wives and hungry children, but you have constituents back home, and in some places they are so proud that they will not accept aid from private sources. It is a case where the Government must furnish aid.

The Government only can meet this present emergency, and yet we find the leader of this House, the gentleman from Connecticut [Mr. TILSON], in the Herald this morning has one of these stereotyped declarations of policies for the Government, wherein he calls all this attempted help and relief for the people a dole—a dole! It is a dole to him. I do not suppose the gentleman was ever hungry in his life. The gentleman does not know what it means to be cold and hungry. I want to say to my friend from Chicago that if he would take a week off and go back home and see the bread lines, such as we have within five blocks of this Capitol on Pennsylvania Avenue, he would have a different view of this subject.

Mr. SPROUL of Illinois. Will the gentleman yield again?

Mr. BLANTON. Certainly.

Mr. SPROUL of Illinois. I will say to my friend from Texas that I spent two weeks in Chicago during the holiday season and I want to tell him that we are taking care of everyone that applies for relief, and we can do it, and they can do the same thing in every other large city in the country.

Mr. BLANTON. I can not yield further for a speech.

Down here on De Sales Street, the first street north of the Mayflower, there is one of the finest oculists in the United States, Doctor Shute, who furnishes eyeglasses to half of the Congressmen here, and he does not rob us, either. I want to recommend that my friend from Illinois go down there and get some new glasses before he goes to Chicago again.

Mr. SPROUL of Illinois. I will say to my friend from Texas that I do not need any new glasses.

Mr. BLANTON. If the gentleman will get some new glasses he will have a different idea about the situation in the large cities of this Nation.

Mr. SLOAN. Will the gentleman yield?

Mr. BLANTON. In just a moment.

We have here in the United States the boys who went to France, and when they were being shipped out of Hoboken in the darkness of the night we promised all of them that we would not forget them when they came back; and, yet, now that they are back, many of them maimed and crippled and unable to make a living, and when we owe them this little dollar and a quarter extra that we paid them in adjusted-compensation certificates, they have come to us and have shown us their necessities and have asked us to pay them; and although we have the bill of my friend from Texas, Mr. PATMAN, and the bill of my friend from Texas, JOHN GARNER, and other bills pending here for months, our Republican Ways and Means Committee will not even grant a hearing on any of such measures. If you would put this $2,000,000,000 into circulation by paying the honest debt this Government owes these ex-service men, it would go into the banks of every district in the United States and relieve everybody. It would form a new circulating medium; it would hurt Mr. Mellon's bond market a little, but what if it does? It would grant immediate relief to every district in the United States.

Mr. SIMMONS. Will the gentleman yield?

Mr. BLANTON. I yield.

Mr. SIMMONS. The gentleman said something about a dollar and a dollar and a quarter a day for a bonus. Is that all the gentleman advocates?

Mr. BLANTON. I would have been glad to have paid them commensurate with the pay that the skilled workman got who was excepted from the draft and stayed at home during the war; and paid them in cash, and on their return, and not waited until 1945.

Mr. SIMMONS. Is all that the gentleman is advocating the payment of $1 and $1.25 a day?

Mr. BLANTON. I want to give back to them now in cash all that the Government owes them. But Mr. Mellon is

standing in the way of that bill, just as Mr. Mellon at the head of the oil combine that can manufacture gasoline in South America and lay it down in New York at 4 cents a gallon is standing in the way of relief for the independent oil producers. If my friend from Nebraska will investigate, he will find that the property of Mr. Mellon since the war has increased threefold from what it was in April, 1917, when we entered the war. And yet it is Mr. Mellon who profited 300 per cent by the war who is standing in the way of this program.

Mr. SIMMONS. I am really trying to find out what the gentleman advocates; what kind of an adjusted-compensation settlement he is for.

Mr. BLANTON. I would like to see the Garner bill passed, at least, if we can not get the Patman bill.

Mr. SIMMONS. The gentleman talks about the Patman bill; you could not put three of the bills in the same room, for each one is different.

Mr. BLANTON. I am for either one that we can get a chance to pass. I am for the bill that we can pass that will pay the greatest part of the debt we owe these men.

Mr. SIMMONS. Will the gentleman allow me to put my question? The gentleman made reference to a dollar and a dollar and a quarter a day. That is one plan. Mr. GARNER's plan is distinctly another one, and Mr. PATMAN's plan is distinctly a third. Now, what I started to say was that you can not satisfy 1 out of 10 of the service men who are asking for the payment of cash by a payment of $1 or $1.25 a day. There are three different plans. Which one does the gentleman advocate?

Mr. BLANTON. I was in favor of giving them their little stipend of $1.25 a day extra in cash when they returned.

Mr. SIMMONS. So was I in favor of paying cash when the original bill was passed.

Mr. BLANTON. The Garner plan proposes to pay them what was due at the time the settlement was made plus 4 per cent. We have been charging them 5½ per cent. I am in favor of the Garner plan, if we can not get the Patman bill. It does not require them to accept it; if they want to, they can hold it until 1945. The Patman plan proposes to pay them off in full, and I am in favor of that, if we can get it, but I am in favor of the Garner bill if we can not get the Patman bill. I am in favor of the best plan that Mr. Secretary Mellon and the Republican leaders will let us pass. If I can not get the Patman bill, I will vote for the Garner bill; but for God's sake do justice by them in granting them something in this time of stress.

Mr. CAMPBELL of Iowa. Mr. Chairman, will the gentleman yield?

Mr. BLANTON. Yes.

Mr. CAMPBELL of Iowa. I remember, when a member of the State legislature in Iowa and a member of the war veterans' committee——

Mr. BLANTON. Is the gentleman in favor of paying these soldiers?

Mr. CAMPBELL of Iowa. I think we can get very near together.

Mr. BLANTON. Is the gentleman in favor of paying these soldiers?

Mr. CAMPBELL of Iowa. I understood the gentleman had yielded to me.

Mr. BLANTON. Yes; but first I want to know how the gentleman stands. Is he in favor of paying them?

Mr. CAMPBELL of Iowa. I think we could work out a plan very nearly.

Mr. BLANTON. Is the gentleman in favor of them?

Mr. CAMPBELL of Iowa. I think that we could work out a plan.

Mr. BLANTON. I can not yield any more.

Mr. CAMPBELL of Iowa. If you can not yield to me to ask a question——

Mr. BLANTON. Mr. Chairman, I am used to seeing fellows on the fence, and I have not the time to waste with anyone of that kind. Is the gentleman in favor of making a cash settlement with them on these certificates?

Mr. CAMPBELL of Iowa. Yes; but——

Mr. BLANTON. Then, why do you not smoke out the Speaker and Leader TILSON and Mr. SNELL, the chairman of the Committee on Rules?

Mr. CAMPBELL of Iowa. I simply want to get this into the RECORD, that the gentleman will not let me ask a question and neither will he let me answer one.

Mr. BLANTON. I have gotten some satisfaction out of the gentleman. Everyone here, when you pin him down, is in favor of it. Do you know why? Because it is just and proper that these payments should be made. Why if you were to get the Speaker pinned down in Ohio where he had to answer yes or no, he would say, "Boys, I must say it is just, I would be in favor of it if we could ever get it up in the House." Let me tell you something. Do you know that because a man stands high in this House——

Mr. CAMPBELL of Iowa. Will the gentleman yield to me for one question?

Mr. BLANTON. In one minute when I get through with this. Because a man stands high and is a member of the triumvirate or the big steering committee, his seat is no more secure than is that of the most obscure Member. The people back home can take his seat away from him just as quickly as it can take the seat away from the most obscure Member. Once in a while you see a revolution of political sentiment abroad in this land, and the bigger they are and the higher up they are, the harder they fall, when the people take their jobs away; and I want to say to my friends on the Republican side, while you are splendid men, and most of you are my friends and I admire and respect you, you had better be careful of this proposition, because there may be a revolution of sentiment among the men who fought our battles in the trenches of France. They are demanding their just due, and when you turn them down your high seat is going to look to them just like the low seat of anybody else, and you better be careful when you go back home before you go upon the hustings again as to what you do on this proposition. [Applause.]

Mr. SUMMERS of Washington. Mr. Chairman, I yield five minutes to the gentleman from Iowa [Mr. CAMPBELL].

Mr. CAMPBELL of Iowa. Mr. Chairman and ladies and gentlemen of the committee, I know there have been lengthy discussions on the question of soldiers' bonus. So far as the War Veterans' Committee is concerned, of which I have the honor to be a member, I do not think there is a man on the committee who has been more liberal with the soldiers than I have been myself. I saw some service, and I am a member of the American Legion. I wrote back to the district commander of the eleventh district of Iowa to find out the sentiment in regard to the payment of the soldiers' bonus or their certificates at this time. He wrote to me and said that he had made somewhat of a survey in my district, and that first of all that what they would prefer in our district is a pension for the widows and the orphans and proper hospitalization before they took up the question of the payment of the certificates. [Applause.] Mr. Chairman, there is exactly where I stand to-day. I am willing to take up the matter so far as the certificates are concerned, but first of all I stand here for these widows and orphans, especially the dependent widows and orphans, and the proper hospitalization of the soldiers.

Mr. RANKIN. Mr. Chairman, will the gentleman yield?

Mr. CAMPBELL of Iowa. Not now. I do not know what the State of Texas has done; I do not know what the State of Mississippi has done; I do not know what the State of Arkansas has done, or the State of Alabama; but I say this, that following the year 1921, when Iowa was in the worst calamity, so far as farm conditions and other conditions are concerned, the State legislature submitted to the people the question of whether or not they should pay these soldiers a dollar for service on this side and a dollar and a quarter a day for service on the other. I am proud to say that the people of my State went to the ballot box, where there was no one to influence them, and by a great majority voted in favor of the soldier, and issued $22,000,000 of State bonds to pay them. In finishing, I might say that

I believe the first thing that we ought to do now is to take care of the dependent widows and orphans. Further than this, I say to you that I think it is a duty that we owe to them at home. I do not believe there is a man or woman in this House who wants to say that those who are left behind, those widows and orphans, should be dependent upon charity.

Mr. WOODRUM. Mr. Chairman, I yield five minutes to the gentleman from Texas [Mr. PATMAN].

Mr. PATMAN. Mr. Chairman, my colleague from Iowa [Mr. CAMPBELL], who has just addressed the committee, made a correct statement when he said he had been very liberal and generous toward legislation for ex-service men. As a member of the World War Veterans' Legislation Committee, I can certify that not only one time but many times the gentleman from Iowa voted with the Democrats instead of with the Republicans in order to give the veterans of the World War, their widows, and children that measure of relief which he believed they were justly entitled to receive. I am with him on the proposal that the widows and children should be taken care of, and the bill to pay the adjusted-service certificates will not interfere with the bill to provide for them. I want to invite his attention to the fact that last session we were told by the Republican leaders we must take the disability allowance bill, which left out the widows and children, or we would not have any legislation at all. [Applause.]

I want to especially call the gentleman's attention to the fact that the World War Veterans' Legislation Committee put veteran affairs in politics when the Republican members of that committee excluded the Democrats, and the measure which was finally passed, where they put the Democrats out, also put the widows and orphans out, and to-day the reason that widows and orphans are not included in that bill is because you made partisan politics out of it and would not permit the Democrats an opportunity to amend the bill when it came before the committee.

Mr. RANKIN. Will the gentleman yield?

Mr. PATMAN. I shall be glad to yield to the ranking Democratic member on the World War Veterans' Legislation Committee, the gentleman from Mississippi [Mr. RANKIN], who has just finished making an unanswerable argument in favor of the proposal to pay the adjusted-service certificates in cash now.

Mr. RANKIN. It was also passed under suspension of the rules?

Mr. PATMAN. Absolutely. It was passed under suspension of the rules, and would not permit an amendment from the floor, and now they are complaining because the widows and orphans were left out of the bill. I hope those who did not hear the wonderful speech made by the gentleman from Mississippi [Mr. RANKIN] this afternoon will read it in the RECORD.

With reference to paying off the adjusted-service certificates, Mr. Hines in his testimony——

Mr. CAMPBELL of Iowa. Will the gentleman yield?

Mr. PATMAN. I yield to the gentleman.

Mr. CAMPBELL of Iowa. The gentleman does not say I was a member of the organization that did that?

Mr. PATMAN. No, sir; but the Republican organization did it, and, of course, the gentleman is a member of the Republican Party, but knowing how the gentleman feels toward veteran legislation I do not believe he was willingly a party to it.

Mr. BLANTON. But he is not one of the triumvirate.

Mr. PATMAN. Oh, no.

Now, General Hines, when he testified before the committee relating to this legislation—the independent offices appropriation bill—said:

> We are going through the most unusual experience that I have seen in eight years—

Speaking of the veterans—

> they are out of employment, out of any kind of provision to carry on, and they just come in to see what we have to offer. I think the marked increase for claims in compensation and the tremendous load that we have had under the disability allowance has been very much emphasized by outside conditions. Many men who undoubtedly would have carried on, who would have made no effort to make any claim on their Government, have filed claims because they have been forced to.

That is the reason the veterans of the World War are coming here and asking, not for a gratuity, not for the payment of a bonus, but for the payment of a just and honest debt that the Congress of the United States has admitted and confessed to be due to each one of them. Tens of thousands of veterans would leave Government hospitals at once, which would save the Government $120 a month each, if this debt were paid so they could pay for the necessary medical treatment at their homes.

If you will take the RECORD of last Saturday you will notice in a speech I made at that time on the floor I showed that the veterans who worked on public roads had their pay adjusted and were paid as much as $6.33 a day, and were paid that money in cash. The railroads and war contractors were paid billions in adjusted pay. Now, the same Congress is asked to authorize the payment of an honest and just debt that has been confessed to veterans of the World War, of $1.25 a day for overseas service and $1 a day for home service. Is that reasonable? Is it right? Is it reasonable to ask that you pay a debt Congress has confessed is due for services rendered?

Mr. SIMMONS. Will the gentleman yield?

Mr. PATMAN. I will be glad to yield if the gentleman will get me a little more time.

Mr. SIMMONS. We can be very frank and clear up the issue. Now, the gentleman talks about a dollar and a dollar and a quarter a day.

Mr. PATMAN. Yes, sir.

Mr. SIMMONS. I was in the Congress when that bill was passed. I favored then the payment of the bonus in cash. The bill which the gentleman has offered does not, by any stretch of the imagination, limit itself to the payment of $1 and $1.25 a day. There has been so much general talk——

Mr. PATMAN. The gentleman is absolutely mistaken.

The CHAIRMAN. The time of the gentleman from Texas [Mr. PATMAN] has expired.

Mr. SUMMERS of Washington. I yield to the gentleman five additional minutes.

Mr. SIMMONS. Unless I am wrong, the gentleman's bill contemplates the payment of $1 and $1.25 a day, plus 25 per cent increase, plus 4 per cent interest for 20 years, 15 years of which are not now accrued.

Mr. PATMAN. There are two ways of figuring that.

Mr. SIMMONS. Now, is the gentleman advocating the $1.25 a day which he has been talking about, or is the gentleman advocating payment of interest for 15 years not yet accrued?

Mr. PATMAN. That is a very reasonable question, and the gentleman is entitled to an answer. When you confessed a debt to the veterans of $1 a day or $1.25 a day for home service and overseas service, was that debt due in 1925? No. It was due in 1918. When Mr. Mellon refunds money that he says was collected over and above what should have been collected from the United States Steel Corporation as of 1918, he pays it 6 per cent interest from 1918, not from 1925. My theory is that if you are going to confess a debt of $1 a day or $1.25 a day for adjusted or extra pay, it was due when the service was rendered. If you give the veterans that money as of the time when the service was rendered, including the $60 which should have never been deducted, and you pay them 6 per cent interest, compounded annually, the same rate of interest that the Government has been charging the soldier for his own money, it will amount to at this time about 95 per cent of the face or maturity value of the certificates. [Applause.]

Mr. SIMMONS. I assume the gentleman has that all figured out.

Mr. PATMAN. Absolutely.

Mr. SIMMONS. Then, would the gentleman mind putting the figures in the RECORD by which he reaches that conclusion?

Mr. PATMAN. I shall be glad to do that the next opportunity I have to speak on this subject. If my figures are correct, will the gentleman support that contention, or does the gentleman think it is unreasonable?

Mr. SIMMONS. I am trying to find out what it is first.

Mr. PATMAN. Does the gentleman not think it was due in 1918?

Mr. SIMMONS. The other question I would like to have the gentleman discuss frankly is this—not to-day, because the gentleman is perhaps not in a position to do so—but how and where and by what means is the Government of the United States to get in ready cash the three and one-half billion dollars necessary to meet the bill which the gentleman proposes?

Mr. PATMAN. That is another very reasonable question, and the gentleman is entitled to an answer.

Mr. SIMMONS. Within a few days the District of Columbia appropriation bill will be before the House, and I will have control of some of the time, and I am confident the gentleman can get the time to answer that question.

Mr. PATMAN. I can answer that question now. I do not have to wait until then. I want to say that just a few minutes ago I secured a copy of a bill which Mr. Mellon has proposed. That bill is to permit the issuing of $8,000,000,000 more of bonds. That is a bill which Mr. Mellon proposes, and it is before the Ways and Means Committee. Four and a half million veterans and other people interested in those veterans have been clamoring for a hearing before that committee on the bill to pay the adjusted-service certificates, but they have not even been permitted to appear there, although the committee has been in session only one day this session, but Mr. Mellon got a hearing on this bill only a few days ago. Now, this bill provides that $8,000,000,000 more of bonds may be issued by the Treasury Department, at the discretion of the Secretary of the Treasury. Several years ago Congress said that it should be the policy of our Government, in reducing this war debt, to scatter the reduction over a period of years, as the war was waged for posterity and the present generation should not be required to pay the total expense of it.

Mr. SIMMONS. Let us not leave the bill the gentleman referred to. Is that a refunding bill or does the bill propose to increase the national indebtedness by $8,000,000,000?

Mr. PATMAN. It is not restricted. It permits him to issue $8,000,000,000 more of bonds, because the interest rate is cheap now, and this is the time to pay off our debts.

Mr. SIMMONS. The bill is for what purpose? Is it a refunding operation?

Mr. PATMAN. It does not state. We do not know what he is going to do with it. It is in his discretion. Of course, he can only use it for purposes authorized by law. If we pass the bill to pay the veterans now a part of the $8,000,000,000 may be used to pay them.

Mr. SIMMONS. The gentleman's bill involves the raising immediately of $3,500,000,000 in cash?

Mr. PATMAN. The gentleman is mistaken. It undertakes to raise $3,500,000,000, less $880,000,000 which will be in the Treasury for that purpose after this bill now before the committee passes. The amount in the Treasury now is $768,000,000, but the bill now under consideration carries an additional $112,000,000 appropriation.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. WOODRUM. Mr. Chairman, I yield the gentleman five additional minutes.

Mr. SIMMONS. What $880,000,000 is the gentleman referring to?

Mr. PATMAN. I refer to the annual appropriation of $112,000,000 that has been appropriated each year for the purpose of retiring these certificates when they are payable, January 1, 1945, or upon the death of a veteran.

Mr. SIMMONS. Certainly the gentleman understands that that does not represent the raising of one dollar of money but transfers credits from one fund in the Treasury Department to another fund. That is not raising money but is adjusting obligations between two funds. The cash is not there.

Mr. PATMAN. I take the word of General Hines, the Director of the Veterans' Bureau, for it.

Mr. SIMMONS. But the cash is not available for that purpose.

Mr. WOODRUM. If the gentleman will permit, the fund is there; it is appropriated and reinvested by the Treasury Department and draws interest and compound interest.

Mr. SIMMONS. I understand that; but it is the transfer of one fund in the Treasury to another, and it does not in any way involve the raising of new funds; and the actual money, subject to payment in cash, is not in the Treasury.

Mr. PATMAN. Well, for the sake of argument, I will say we are to raise $3,500,000,000. Mr. Mellon has overpaid our public debt $7,000,000,000 in the last 10 years, and Mr. Mills, Undersecretary of the Treasury, announced before a luncheon club in New York City the other day that the Treasury Department expects to pay the remainder of the national debt of $16,000,000,000 in 18 years, or at the rate of nearly $1,000,000,000 a year. The gentleman knows what that means. That means that as soon as we retire our national debt we are going to have an effort made to cancel the debts which the foreign nations owe the Government of the United States, and probably before that time. The Mellons, Morgans, and Mills believe we should cancel what foreign nations owe us. They prefer to give it to foreign countries rather than pay the veterans an honest debt. They are holders of obligations of these foreign nations, and if we, for the United States, cancel the debts of these nations, the big three "M's" will have a first lien, and not one subordinate to one held by the United States, as it is now.

Mr. SIMMONS. Will the gentleman answer this question——

Mr. PATMAN. I shall try to; but I want to answer the gentleman's other question. I do not want to get away from that question.

Mr. SIMMONS. Did Mr. Mills, in that statement, say anything regarding how much in excess of normal retirement of the national debt would be made this fiscal year?

Mr. PATMAN. I did not read those figures.

Mr. SIMMONS. I think if the gentleman will go into that he will find that he did not.

Mr. BLANTON. Will the gentleman yield?

Mr. PATMAN. Yes; I shall be glad to yield to the gentleman from Texas [Mr. BLANTON], who has just concluded one of the most forceful and effective speeches I have ever heard made on the floor of this House.

Mr. BLANTON. We know what the gentleman from Texas, Mr. PATMAN, proposes, and we know what the gentleman from Texas, Mr. GARNER, is trying to do, but can anyone tell what the gentleman from Nebraska, Mr. SIMMONS, proposes, or what Mr. Mellon proposes, or what the steering committee of the Republican Party here proposes to do for these men?

Mr. SIMMONS. I would like to answer that question of the gentleman from Texas [Mr. BLANTON].

Mr. PATMAN. Wait a moment. The gentleman from Nebraska has asked me a reasonable question, and I want to answer it. We are paying $1,000,000,000 a year on our national debt. The gentleman will admit we are paying that debt too fast, will he not?

Mr. SIMMONS. No, sir.

Mr. PATMAN. Well, Senator VANDENBERG, of Michigan, and a number of Republican Senators who, I believe, are leaders in their party, including Senator SMOOT, of Utah, have issued statements that the debt was being retired too rapidly; and I thought almost everybody in the United States, except Mr. Mellon and Mr. Mills, admitted that.

However, I say it is being retired too rapidly and let us divert payments for a few years from that war debt to this other war debt growing out of the adjusted-service certificates and pay them off, and pay them in cash now, not only to help the veterans but to bring prosperity to the entire

Nation. After we pay them off we can go back to making payments on the national debt, and we will then be more than $4,000,000,000 ahead of the program that Congress said should be carried out for the retirement of the national debt.

Mr. SIMMONS. The gentleman yet does not get at the thing that is in my mind.

Mr. PATMAN. Oh, the question of money is just a question of diverting payments from one fund to another fund. It will not require the raising of additional taxes, it will not require a change in our tax law by so much as the dotting of an "i" or the crossing of a "t," and why should you or anyone else oppose a measure that will pay an honest debt that has been publicly confessed to the veterans who need it and are in distress, when it will not only help them but will also bring prosperity to the entire Nation?

Mr. SIMMONS. We get back finally to the question that I have asked the gentleman. If these certificates are to be paid, the check of the Treasurer of the United States has got to go to the man that holds the certificate and dollars have got to be there to pay that check when it comes back.

Mr. PATMAN. Absolutely.

Mr. SIMMONS. Now, where is the gentleman going to get the dollars?

Mr. PATMAN. The people who have money are eager for Government bonds. A while back Mr. Mellon issued a statement that the Treasury wanted $400,000,000 at 1¾ per cent annual interest.

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. WOODRUM. Mr. Chairman, I yield the gentleman two additional minutes.

Mr. PATMAN. And did the gentleman know that instead of $400,000,000 being offered, the Secretary of the Treasury was offered $1,500,000,000 at 1¾ per cent annual interest? That shows how eager the people are for Government bonds.

Mr. CAMPBELL of Iowa. Will the gentleman from Texas yield?

Mr. PATMAN. Yes.

Mr. CAMPBELL of Iowa. I would like to know whether or not the gentleman's State of Texas paid a bonus to the soldiers.

Mr. PATMAN. No, sir; and I do not think any State was under any such obligation. This is a national question and I do not think any State was under obligation to pay a bonus. The States did not send these men to war. Whatever amounts that were paid veterans by the States were outright gifts or bonuses.

Now, I do not believe that at least one of the Republican members of the Ways and Means Committee is playing just exactly fair on this question. We have been trying to get a hearing on this bill and the Republican members will not give us a hearing. The gentleman from Oregon [Mr. HAWLEY] announced that at any time Mr. Mellon wanted a hearing on any bill he had had introduced, he would get a hearing as a matter of courtesy, but we have asked the gentleman from Oregon for a hearing and he will not give us a hearing. I have before me here a letter that was written——

Mr. SIMMONS. Will the gentleman yield for one further question?

Mr. PATMAN. In just a minute. Let me get through with this statement and then I will yield.

When a veteran wrote to a Republican member of the Ways and Means Committee this member replied:

> I do not quite understand where you get your authority to make the statement that I am against the payment of the adjusted-service certificate. I made this statement [giving a certain date]: "If this matter comes to the floor for action, I will vote for the payment of these certificates."

Now, this was written by a Republican member of the Ways and Means Committee; yet he will not turn his hand or take a single step in the direction it is necessary for him to go in order to get consideration of this bill, and I do not think it is fair for him to claim he is supporting the measure and vote in the committee against considering it. "If it comes to the floor I will support it," he says, but is casting his vote against it coming to the floor. [Applause.]

The CHAIRMAN. The time of the gentleman from Texas has again expired.

Mr. SUMMERS of Washington. Mr. Chairman, I yield five minutes to the gentleman from Missouri [Mr. HALSEY].

Mr. HALSEY. Mr. Chairman, September 4, 1929, Senator CAPPER introduced in the Senate a bill to create a department of public education. In the House Representative Robsion introduced a bill of the same principle and purpose. Neither bill has been reported out of the committee to which it was referred. An unfriendly membership prevents consideration of this legislation by suppressing measures for its enactment. The bill provides for a department of education having a secretary appointed by the President, giving to the American public-school system rank and dignity equal to any department having a Cabinet portfolio. There is widespread and urgent popular demand for its passage by Congress, and it is supported by many leading journals and magazines, while more than 40 national organizations—fraternal, industrial, religious, and cultural—give to the measure emphatic approval.

Originally but 3, there are now 10 great departments of the Federal Government because the country has grown in size, population, and wealth, vastly increasing duties, responsibilities, and powers at home and abroad, therefore requiring a larger number of more distinctive agencies, with greater resources, to administer national affairs. Though now conceded of inestimable value, its advocates met persistent and stubborn opposition based on the familiar objection of bureaucratic innovation expensive and needless.

The public-school system is the country's greatest institution, education its greatest cooperative agency, the Nation's biggest business. Its immensity is seen when measured by the yardstick of numbers. A million teachers, 30,000,000 pupils, equipment, apparatus, and buildings costing $7,000,000,000, overhead of upkeep and salaries involving an annual expense of $3,000,000,000 more are some of the revealing figures of its magnitude. A hundred professional schools, attended winter and summer by 250,000 students, train these guides and instructors of youth, who, as teachers, are the hope of America. A voluntary organization with more than a million and a quarter members formed to help carry on a complex and never-ending program, the Parent-Teachers' Association, calls further attention to the magnitude of the task. Equally significant, 14 States now provide pensions for these devoted and faithful public servants when no longer physically fit to bear the burdens of the schoolroom.

The unthinking remain unaware of the meaning and implications of this brief fact summary, though it unfolds a vision of the ideals that preserve us a Nation. But the simple narrative shows the need for a department of public education backed by the vast resources of the Government to aid, foster, and strengthen the American public-school system, which is the bulwark of the Nation.

It provides the field of unlimited opportunity for the work of the investigator and the interpreter, in whose hands Glenn Frank declares is the future of the Nation. Education is progressive; research and distribution of the knowledge gained are necessary to advance the objects of the program in the proper training of childhood and youth. Representatives of 46 countries at the Geneva World Conference declared those objects to be: First, the child's health; second, to fit the child for a suitable vocation in life; third, to make him a good citizen; fourth, to develop in the child a good character. Therefore not a standard type of equipment of buildings, not a rigid course of study, not unchangeable methods of teaching, but all educational purpose and activity center in the child.

The best it has the Government must give to the citizen of to-morrow. For him no investment can be too great. To function more effectively, to achieve more widely, to spend with more economy, to accomplish its full purpose, all the numerous agencies having to do with education should be consolidated and coordinated in one great department,

with its head an executive officer directly responsible to the President as a member of his Cabinet.

This the greatest enterprise of the Government, whose potential powers shape the character and destiny of the Nation, hides its diminished head under a bushel in the Department of the Interior as an office of education directed by a commissioner ranking in dignity and importance with the Commissioner of the Land Office, and among his numerous and varied responsibilities were supervision of the herds of Alaskan reindeer.

Established in 1867, its facilities and resources remain grossly inadequate to meet to-day's rapidly expanding school program, which however carefully worked out becomes obsolete overnight in the evolution of social, industrial, and economic American life. Educators, legislators, and the laity know there must be a readjustment of this program to remedy the ills of the social order that send human beings to the scrap heap at 45. A man's birthday measures his capacity as scales determine his weight. Machines displace men. Steel brains direct steel fingers with speed, precision, and economy to increased output far beyond production capacity of human brain and brawn. Unemployment is the tragedy of modern civilization. Every man has the right to live and keep on living, for "man is immortal till his work is done." Education fails in the chief objective when it does not fit the child for his place in the social order for his own continued well-being and the general welfare.

Yet the Secretary of Labor declares millions of American children of school age face a false learning in our boasted public-school system that will not fit 1 in 10 of them for the places they must occupy in life. And other millions can neither read nor write, though, at tremendous cost to the taxpayer, the States are trying to solve the problem of illiteracy. Twenty million of this country's population, native born and foreign born, are classed illiterate as that word is defined by the Census Bureau. Incredible it may seem, yet 25 per cent of our soldiers in the late war could not read a newspaper with understanding or without assistance write a letter home. The wealth of this country reaches the amazing total of $350,000,000,000, and in the day of auto, radio, and airplane, and all this vast wealth there yet remain 160,000 1-room schoolhouses where 5,000,000 pupils attend and receive instruction from teachers many of whom lack eighth-grade education and are blissfully ignorant of all school methods. By any standard of values, at their meager salary of $300 a year they are profiteering.

In a democracy the sovereignty resides in the many, not the few—a fact significant of the need of intelligent, intellectually trained citizenship in a Government of the people, for the people, by the people.

Illiteracy is also a great economic problem, as losses flowing from it due to ill health, waste, inefficiency, handicaps, and unemployment reach the staggering annual sum of $750,000,000.

Thinking on these things, other problems press for attention, and the question arises, Who is sufficient for their solution? What shall be done for adult illiterates; for the child in the hollows of eastern mountains, in isolated homes of western prairies, in congested industrial centers; for the handicapped child; for his individuality in stereotyped mass methods? How best relate his recreation and student life; how reform the false learning that does not fit him for the place he must occupy? The radio, yet in its infancy, has become the greatest means of communication since the invention of printing. Yet in its use business and entertainment are rapidly obtaining a monopoly of the air. Is there a place for radio in the schoolroom?

To solve the many and complex problems of education is evidently a job too big for any State. The task will tax to the utmost all the resources of the Federal Government in a department wholly devoted to investigation of causes, research for remedies, and the nation-wide dissemination of all practical knowledge developed from the discoveries made.

Becoming familiar with conditions, the people have seen the vision of a department of public education that will do for the child, the youth, and the adult what the Department of the Treasury is doing for finance, the Department of Commerce for business, the Department of Agriculture for soil, plants, and animals, knowing that the abundance of life does not consist in the abundance of things it possesses.

This is the object of the Capper-Robsion public-school bill. It creates a department of education to aid and foster the public schools so that all the people, without regard to race, creed, or color, shall have larger opportunities for education and thereby abolish illiteracy, make more general the diffusion of knowledge, but without interfering with any rights of the States or of private and sectarian organizations to manage and control their own institutions of learning.

The bill contemplates in its provisions a great Federal laboratory for investigation, study, and research to discover new ways and better methods in every avenue of educational activity and to translate these results into adaptable information available through the advisory services of professional experts who are school-minded interpreters thoroughly versed in the immediate needs of education's new day.

Parrot memorizing, placing in cold storage a mass of unrelated, indigested facts, names, dates, rules, exceptions, and definitions dug out of dry-as-dust textbooks falls far short of the training now necessary to meet the hard conditions prevailing in this capitalistic and mechanical age. Such training must develop self-initiative, self-discipline, self-thinking—a hard but effective program for any schoolroom not measured by four walls, whose diploma is not given or received as a certificate of finished schooling.

Conditions disclose the need of a department of public education, and I favor the passage of the Capper-Robsion bill.

Mr. WOODRUM. Mr. Chairman, I yield to the gentleman from Georgia [Mr. LANKFORD].

Mr. LANKFORD of Georgia. Mr. Chairman, ladies and gentlemen of the committee, on the 17th of December last, while the House in Committee of the Whole House on the state of the Union had under consideration the Senate Joint Resolution (S. J. Res. 211) for relief of farmers in the drought and/or storm stricken areas of the United States, I addressed the House and urged that the provisions of that resolution were legally sufficient to authorize relief to my district and the storm-stricken areas of the Southeastern States, in spite of the fact that the storm from which their stricken condition arose occurred prior to the year 1930.

When the House recessed on December 20 last for the Christmas holidays I did not go home, but remained in Washington and made several trips to the Department of Agriculture, where I urged that the Senate resolution just mentioned, which had become law in the meantime, should be construed to give financial relief to the farmers of my district, since they were clearly within the territory embraced in "drought and/or storm stricken areas of the United States."

On January 2, 1931, Mr. C. W. Warburton, Director of Extension Work, wrote me in behalf of the Department of Agriculture, from which letter I read as follows:

> You have made a very interesting presentation of your theory that because the resolution does not specifically limit loans in drought and storm areas to those in which drought or storm damage occurred in 1930 we should take into consideration those areas in which drought or storm damage occurred in previous years and where farmers are now in need of financial assistance. In view of the fact, however, that practically all the talk in the committee hearings and on the floor of both House and Senate was with reference to drought damage in 1930 and the need for relief resulting therefrom the Secretary and I are agreed that administratively we can not go back of 1930 to find a basis on which to make loans to farmers. In the regulations which the department will issue, therefore, we will state that loans will be made only to those farmers whose crops were seriously damaged by drought or storms in 1930. Any other interpretation of the authorizing resolution would lead us into interminable discussion and activity in the making of loans.

As soon as I received this decision from the Department of Agriculture, I notified the people of my district, through the press, that they would not receive any relief from the drought and storm relief measure which had just passed, but that I felt sure that Members of Congress from Georgia,

South Carolina, and other Southeastern States would do everything possible to secure financial relief for the farmers in this section who are in such dire need.

During the Christmas holidays I was in telegraphic communication with several Members of the House and Senate, all of whom wired the Department of Agriculture, urging upon the department the necessity of helping this southeastern section and expressing their legal views in support of my construction of the Senate resolution.

I am so anxious for some relief to be granted to the farmers of this section, who have never recovered from the storms of two years ago. I have held several recent conferences with Members of the House and Senate, and I am now glad to report that the Agricultural appropriation bill as passed by the Senate carries a provision providing that loans heretofore made to these Southeastern States shall, in effect, become a revolving fund and be reloaned to these farmers. In other words, that the appropriation heretofore made for this section shall still be available for the relief of these people.

I have already argued the necessity for this relief and at this late hour of the day do not wish to make a further statement except to call attention of the Members to the situation and urge the adoption of the Senate amendment.

Mr. SUMMERS of Washington. Mr. Chairman, I move that the committee do now rise.

The motion was agreed to.

Accordingly the committee rose; and the Speaker having resumed the chair, Mr. DOWELL, Chairman of the Committee of the Whole House on the state of the Union, reported that that committee had had under consideration the bill H. R. 16415, the independent offices appropriation bill, and had come to no resolution thereon.

LEAVE OF ABSENCE

By unanimous consent, the following leave of absence was granted:

To Mr. ANDRESEN (at the request of Mr. PITTENGER) for to-day, on account of illness.

To Mr. KNUTSON (at the request of Mr. PITTENGER) for to-day, on account of illness.

To Mr. NIEDRINGHAUS (at the request of Mr. DYER) on account of illness.

To Mr. WAINWRIGHT, for one day, on account of important business.

ENROLLED BILL SIGNED

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H. R. 15138. An act granting the consent of Congress to the State Highway Commission and the Board of Supervisors of Itawamba County, Miss., to construct a bridge across Tombigbee River at or near Fulton, Miss.

BILL PRESENTED TO THE PRESIDENT

Mr. CAMPBELL of Pennsylvania, from the Committee on Enrolled Bills, reported that that committee did on this day present to the President, for his approval, a bill of the House of the following title:

H. R. 15138. An act granting the consent of Congress to the State Highway Commission and the Board of Supervisors of Itawamba County, Miss., to construct a bridge across Tombigbee River at or near Fulton, Miss.

ADJOURNMENT

And then, on motion of Mr. SUMMERS of Washington (at 4 o'clock and 42 minutes p. m.), the House adjourned until Monday, January 26, 1931, at 12 o'clock noon.

COMMITTEE HEARINGS

Mr. TILSON submitted the following tentative list of committee hearings scheduled for Monday, January 26, 1931, as reported to the floor leader by clerks of the several committees:

COMMITTEE ON APPROPRIATIONS

(10.30 a. m.)

To consider the appropriation for the Red Cross.
Navy Department appropriation bill.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of Rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

793. A letter from the Postmaster General, relative to the purchase and construction of buildings for post-office stations, branches, and garages; to the Committee on Public Buildings and Grounds.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of Rule XIII,

Mr. IRWIN: Committee on Claims. S. 2481. An act for the relief of Cicero A. Hilliard; without amendment (Rept. No. 2369). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. S. 3839. An act for the relief of Fred N. Dunham; without amendment (Rept. No. 2370). Referred to the Committee of the Whole House.

Mr. JOHNSON of Nebraska: Committee on Claims. H. R. 6118. A bill for the relief of Mrs. Johnnie Schley Gatewood; without amendment (Rept. No. 2371). Referred to the Committee of the Whole House.

Mr. JOHNSTON of Missouri: Committee on Claims. H. R. 12704. A bill for the relief of Frances Southard; with amendment (Rept. No. 2372). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. H. R. 14949. A bill for the relief of Rosamond B. McManus; with amendment (Rept. No. 2373). Referred to the Committee of the Whole House.

Mr. BOX: Committee on Claims. H. R. 15973. A bill for the relief of the State National Bank of Wills Point, Tex.; without amendment (Rept. No. 2374). Referred to the Committee of the Whole House.

Mr. IRWIN: Committee on Claims. S. J. Res. 56. A joint resolution to amend section 2 of the act of February 25, 1927 (44 Stat. L., pt. 2, p. 336); without amendment (Rept. No. 2375). Referred to the Committee of the Whole House.

Mr. HALE: Committee on Naval Affairs. H. R. 3714. A bill for the relief of Howard Emmett Tallmadge; without amendment (Rept. No. 2376). Referred to the Committee of the Whole House.

Mr. BURDICK: Committee on Naval Affairs. S. 4338. An act for the relief of Roscoe McKinley Meadows; without amendment (Rept. No. 2377). Referred to the Committee of the Whole House.

PUBLIC BILLS AND RESOLUTIONS

Under clause 3 of Rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. DENISON: A bill (H. R. 16554) to amend the Code of Criminal Procedure for the Canal Zone; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 16555) to amend the Penal Code of the Canal Zone; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 16556) to amend an act entitled "An act extending certain privileges of canal employees to other officials on the Canal Zone and authorizing the President to make rules and regulations affecting health, sanitation, quarantine, taxation, public roads, self-propelled vehicles, and police powers on the Canal Zone, and for other purposes, including provision as to certain fees, money orders, and interest deposits," approved August 21, 1916; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 16557) to provide a new code of civil procedure for the Canal Zone and to repeal the existing

Code of Civil Procedure; to the Committee on Interstate and Foreign Commerce.

Also, a bill (H. R. 16558) to provide a new civil code for the Canal Zone and to repeal the existing Civil Code; to the Committee on Interstate and Foreign Commerce.

By Mr. CONNERY: A bill (H. R. 16559) to procure the Whipple painting of the famous war dog "Stubby"; to the Committee on Military Affairs.

By Mr. SMITH of West Virginia: A bill (H. R. 16560) to authorize the disposition of the naval ordnance plant, South Charleston, W. Va., and for other purposes; to the Committee on Naval Affairs.

By Mr. TREADWAY: A bill (H. R. 16561) to authorize the department of public works of the Commonwealth of Massachusetts to construct a bridge across the Connecticut River in the towns of Erving and Gill, Mass.; to the Committee on Interstate and Foreign Commerce.

By Mr. HENRY T. RAINEY: A bill (H. R. 16562) authorizing a preliminary examination and survey for the improvement of Crooked Creek, Ill.; to the Committee on Rivers and Harbors.

By Mr. GIBSON: Resolution (H. Res. 344) to print the statement entitled "United States Civil Service Retirement Law," with explanatory notes, tables of annuities, and other information relative to the retirement of employees classified in the civil service, by Robert H. Alcorn, together with a memorandum of tables of annuities by the board of actuaries, as a public document; to the Committee on Printing.

MEMORIALS

Under clause 3 of Rule XXII, memorials were presented and referred as follows:

Memorial of the State Legislature of the State of Missouri, memorializing the Congress of the United States to immediately pass the Glenn-Smith Act to end that speedy relief may be brought to the farmers of these distressed drainage and levee districts restoring the morale, the hope, and the courage of the farmers residing therein, opening new reservoirs of credit that are now closed to them by reason of the high taxes, and preserve vast taxable lands to the State that are now threatened with a return to swamps; to the Committee on Irrigation and Reclamation.

Memorial of the State Legislature of the State of Nebraska memorializing the Congress of the United States to pass the Muscle Shoals bill, proposed and introduced by Senator GEORGE W. NORRIS, of Nebraska; to the Committee on Military Affairs.

By Mr. McCLINTIC of Oklahoma: Memorial of the State Legislature of the State of Oklahoma, memorializing the Congress of the United States to enact legislation giving aid to the people of Oklahoma; to the Committee on the Judiciary.

By Mr. LOZIER: Memorial of the State Legislature of the State of Missouri, memorializing the Congress of the United States to enact legislation for the appropriation of $25,000,000 to the American Red Cross; to the Committee on Appropriations.

Also, memorial of the State Legislature of the State of Missouri, memorializing Congress of the United States to the economic distress among the agricultural classes and praying for the enactment of legislation extending to farmers which will enable them to refinance farm mortgage loans and thereby prevent sacrificial sale of their properties during the present period of agricultural depression; to the Committee on Banking and Currency.

By Mr. SLOAN: Memorial of the State Legislature of the State of Nebraska, memorializing the Congress of the United States to pass the Muscle Shoals bill proposed and introduced by Senator GEORGE W. NORRIS; to the Committee on Military Affairs.

By Mr. JOHNSON of Nebraska: Memorial of the State Legislature of the State of Nebraska, memorializing the Congress of the United States to pass the Norris Muscle Shoals bill; to the Committee on Military Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of Rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. ALLGOOD: A bill (H. R. 16563) for the relief of Ruth Warlick; to the Committee on Claims.

By Mr. BOHN: A bill (H. R. 16564) for the relief of Bridget Patton; to the Committee on Claims.

By Mr. BOWMAN: A bill (H. R. 16565) granting an increase of pension to Leeanna E. Blair; to the Committee on Invalid Pensions.

By Mr. CABLE: A bill (H. R. 16566) granting a pension to Mary R. Dickman; to the Committee on Pensions.

By Mr. CRISP: A bill (H. R. 16567) granting an increase of pension to Sarah F. Stewart; to the Committee on Invalid Pensions.

By Mr. FRENCH: A bill (H. R. 16568) granting an increase of pension to Sarah J. Julien; to the Committee on Invalid Pensions.

By Mr. GAVAGAN: A bill (H. R. 16569) for the relief of Frances E. Eller; to the Committee on Claims.

By Mr. HOPKINS: A bill (H. R. 16570) granting a pension to Minnie Theriet; to the Committee on Invalid Pensions.

By Mr. JONES of Texas: A bill (H. R. 16571) for the relief of John F. Cain; to the Committee on Claims.

By Mr. LAMBERTSON: A bill (H. R. 16572) granting an increase of pension to Ruth Nelson; to the Committee on Invalid Pensions.

Also a bill (H. R. 16573) granting a pension to Daniel Vanderslice; to the Committee on Invalid Pensions.

By Mr. LOZIER: A bill (H. R. 16574) granting a pension to Margaret Scofield; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16575) granting a pension to Effie T. McElhiney; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16576) granting an increase of pension to Sarah E. Burton; to the Committee on Invalid Pensions.

By Mr. McFADDEN: A bill (H. R. 16577) granting a pension to Leon H. Chilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16578) granting an increase of pension to Adelia Chilson; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16579) granting a pension to Harry Paul Rockwell; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16580) granting an increase of pension to Ellen Kintner; to the Committee on Invalid Pensions.

Also, a bill (H. R. 16581) granting a pension to Clara Belle Rockwell; to the Committee on Invalid Pensions.

By Mr. NELSON of Wisconsin: A bill (H. R. 16582) granting an increase of pension to Frances Adelia Hungerford; to the Committee on Invalid Pensions.

By Mr. PARSONS: A bill (H. R. 16583) granting a pension to James Edward Miller; to the Committee on Invalid Pensions.

By Mr. WIGGLESWORTH: A bill (H. R. 16584) granting an increase of pension to Helen M. Gross; to the Committee on Invalid Pensions.

PETITIONS, ETC.

Under clause 1 of Rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

8839. Petition of Wisconsin State Council of Carpenters, urging legislation for the modification of the eighteenth amendment, and that this question be submitted to the people for a referendum vote; to the Committee on the Judiciary.

8840. By Mr. ELLIOTT: Petition of 500 members of Kirk-Little Post, No. 1108, Veterans of Foreign Wars, Richmond, Ind., asking for full and immediate payment of the bonus to all ex-service men; to the Committee on Ways and Means.

8841. By Mr. RANKIN: Resolution adopted by Levi B. Morton Post, No. 123, American Legion, of Prentiss County, Miss., and other ex-service men of said county, indorsing full payment adjusted-service certificates; to the Committee on Ways and Means.

8842. By Mr. GREENWOOD: Petition of H. J. Baker and others of Worthington, Ind., for payment of adjusted-com-

pensation certificates in cash at full face value; to the Committee on Ways and Means.

8843. By Mr. HALE: Petition of Arthur R. Morrill and 27 additional registered voters of Manchester, in the first congressional district of New Hampshire, expressing complete and hearty accord with House bill 7884; to the Committee on the District of Columbia.

8844. By Mr. HOGG of West Virginia: Petition of Williamstown Council, No. 87, Junior Order of United American Mechanics, of Williamstown, W. Va., favoring quota restriction from Mexico; to the Committee on Immigration and Naturalization.

8845. By Mr. HUDSON: Petition of citizens of Detroit and Flint, Mich., urging the passage of House bill 7884 exempting dogs from vivisection in the District of Columbia; to the Committee on the District of Columbia.

8846. By Mr. JOHNSON of Nebraska: Petition of 143 citizens of Furnas County, Nebr., supporting House Joint Resolution 356; to the Committee on the Judiciary.

8847. By Mr. MEAD: Petition of western division, United States Chamber of Commerce, urging passage of House bill 12404, the Leavitt bill; to the Committee on the Public Lands.

8848. By Mr. MICHENER: Petition of sundry citizens of Wayne County, Mich., favoring the passage of House bill 7884; to the Committee on the District of Columbia.

8849. By Mr. O'CONNOR of New York: Resolutions of sundry citizens of the city of New York in support of House bill 7884; to the Committee on the District of Columbia.

8850. By Mrs. RUTH PRATT: Petition of voters of the seventeenth congressional district of New York, urging the passage of House bill 7884, for the exemption of dogs from vivisection in the District of Columbia; to the Committee on the District of Columbia.

8851. By Mr. SANDLIN: Petition signed by ex-service men of Shreveport, La., requesting immediate cash payment of adjusted-service certificates; to the Committee on Ways and Means.

8852. By Mr. WELCH of California: Petition of sundry citizens of the fifth congressional district, San Francisco, Calif., urging the enactment of House bill 7884 to exempt dogs from vivisection in the District of Columbia; to the Committee on the District of Columbia.

8853. By Mr. YATES: Petition of J. W. Rizzie, president the First National Bank, Benld, Ill., urging the passage of the Glenn-Smith bill, S. 4123, intended to give relief to drainage districts; to the Committee on Irrigation and Reclamation.

8854. Also, petition of J. R. Shoat Milling Co., Thirty-eighth and Hall Streets, Chicago, Ill., protesting the passage of House bill 15618, which is designed to further regulate the grain exchange; to the Committee on Agriculture.

8855. Also, petition of N. H. Jamieson, 2029 Sixth Avenue, Moline, Ill., urging the passage of the proposed Speaks-Capper amendment to eliminate unnaturalized aliens in making apportionment; to the Committee on the Judiciary.

SENATE

MONDAY, JANUARY 26, 1931

The Chaplain, Rev. ZeBarney T. Phillips, D. D., offered the following prayer:

Blessed art Thou, O Lord, for that Thou hast called us to this ministry, in which we dedicate anew our desires and hopes, our powers and our very life unto the holy and loving service of our God and of our country. May it be our pain to lose Thee, our only gain to love Thee more and more. Bestow upon us whatsoever Thou seest we need and make us fit to receive the good Thou desirest to give.

Help us to realize that life without urge is darkness, that urge without knowledge is blind, that knowledge without work is vain, that work without love is empty, and that though we speak with the tongues of men and of angels and love not our message we do but muffle the ears of men to the voices of the day and the gentle whispers of the night. Grant to us, therefore, that the words of our mouth and the meditations of our heart may be now and always acceptable unto Thee, O Lord, our strength and our Redeemer. Amen.

THE JOURNAL

The Chief Clerk proceeded to read the Journal of the proceedings of the legislative day of Wednesday, January 21, when, on request of Mr. FESS and by unanimous consent, the further reading was dispensed with and the Journal was approved.

CALL OF THE ROLL

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Deneen	Johnson	Pittman
Barkley	Dill	Jones	Ransdell
Bingham	Fess	Kean	Robinson, Ark.
Black	Fletcher	Kendrick	Sheppard
Blaine	Frazier	Keyes	Shipstead
Blease	George	King	Shortridge
Borah	Gillett	La Follette	Smith
Bratton	Glass	McGill	Steiwer
Brock	Glenn	McKellar	Stephens
Brookhart	Goff	McMaster	Swanson
Broussard	Goldsborough	McNary	Thomas, Idaho
Bulkley	Gould	Metcalf	Thomas, Okla.
Capper	Hale	Morrison	Trammell
Caraway	Harris	Morrow	Tydings
Carey	Harrison	Moses	Vandenberg
Connally	Hastings	Norris	Walsh, Mass.
Copeland	Hatfield	Nye	Walsh, Mont.
Couzens	Hawes	Oddie	Waterman
Cutting	Hayden	Partridge	Watson
Dale	Heflin	Phipps	Wheeler
Davis	Howell	Pine	Williamson

Mr. WATSON. I desire to announce that my colleague the junior Senator from Indiana [Mr. ROBINSON] is absent on account of illness in his family.

Mr. FESS. I was requested to announce that the Senator from South Dakota [Mr. NORBECK], the Senator from Connecticut [Mr. WALCOTT], and the Senator from Delaware [Mr. TOWNSEND] are detained in a meeting of the Committee on Banking and Currency.

The VICE PRESIDENT. Eighty-four Senators have answered to their names. A quorum is present.

SENATOR FROM WYOMING

The VICE PRESIDENT laid before the Senate the credentials of ROBERT D. CAREY, chosen a Senator from the State of Wyoming for the term commencing March 4, 1931, which were read and ordered to be filed, as follows:

THE STATE OF WYOMING,
EXECUTIVE DEPARTMENT,
Cheyenne.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 4th day of November, 1930, ROBERT D. CAREY was duly chosen by the qualified electors of the State of Wyoming a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1931.

Witness: His excellency our governor, Frank C. Emerson, and our seal hereto affixed at Cheyenne, in the State of Wyoming, this 4th day of December, A. D. 1930.

FRANK C. EMERSON, *Governor.*

By the governor:
[SEAL.]
A. M. CLARK, *Secretary of State.*
By H. M. SYMONS, *Deputy.*

PETITIONS AND MEMORIALS

The VICE PRESIDENT laid before the Senate the following concurrent resolution of the Legislature of the State of Minnesota, which was referred to the Committee on Agriculture and Forestry:

Joint resolution memorializing Congress to pass the pending measure for the relief of drainage and flood-control districts

Whereas there is now pending in Congress a bill known as House File No. 11718, Senate File No. 4123, providing for aiding farmers in regions which have been drained or protected by flood-control works by the making of loans to counties, drainage districts, and other political subdivisions in such regions for the purpose of redeeming bonds and other obligations issued in payment for drainage or flood-control works, and interest thereon; and

Whereas under present agricultural conditions the payment of such bonds and other obligations and interest thereon has become difficult or impossible in many parts of the State of Minnesota